



August 2019

DEFENSE ACQUISITION WORKFORCE

DOD Increased Use of Human Capital Flexibilities but Could Improve Monitoring

Why GAO Did This Study

DOD spends over \$300 billion annually on contracts for products and services such as major weapons systems and military support services. By awarding and overseeing these contracts, DOD's acquisition workforce plays a critical role in maximizing DOD's buying power. DOD has increased the size of its acquisition workforce in recent years, but has also faced a number of challenges hiring and retaining personnel. DOD has a number of human capital flexibilities that help DOD in hiring, recruiting, and retaining its civilian acquisition workforce.

The National Defense Authorization Act for Fiscal Year 2018 included a provision for GAO to review DOD's implementation of human capital flexibilities for its acquisition workforce. This report: (1) provides information on DOD's use of human capital flexibilities and (2) determines the extent to which DOD has monitored and assessed its use of these flexibilities. GAO reviewed relevant statutes, and DOD policies, guidance, and acquisition workforce plans; analyzed DOD's fiscal year 2014-2018 civilian acquisition workforce personnel data; and interviewed DOD officials.

What GAO Recommends

GAO recommends that HCI regularly monitors DOD's use of human capital flexibilities for its civilian acquisition workforce to help identify challenges, inconsistencies, or needed improvements in using these tools. DOD concurred with the recommendation.

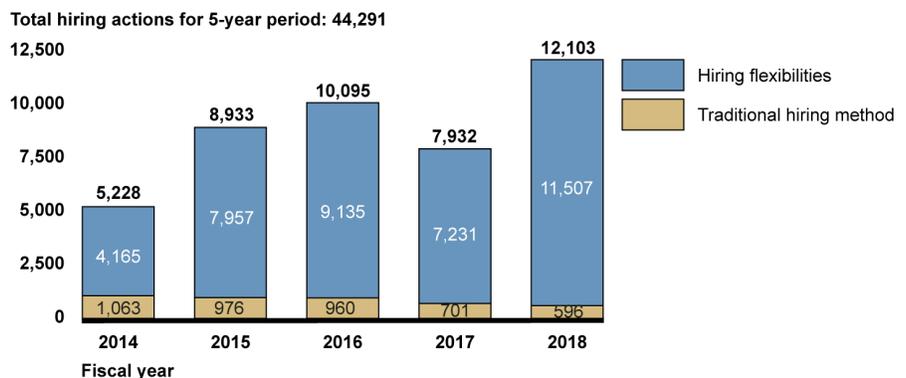
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DOD Increased Use of Human Capital Flexibilities but Could Improve Monitoring

What GAO Found

The Department of Defense (DOD) has used human capital flexibilities extensively to hire, recruit, and retain its civilian acquisition workforce. Since 2014, usage rates for hiring flexibilities—alternatives to the traditional, competitive hiring process—have generally increased. DOD leadership has encouraged its hiring personnel to use these flexibilities, such as direct hire authorities, to reduce the length of the hiring process. From fiscal year 2014 to 2018, DOD used hiring flexibilities for 90 percent of its approximately 44,000 civilian acquisition workforce hiring actions (see figure).

The Department of Defense (DOD) Used Hiring Flexibilities for Most of Its Civilian Acquisition Workforce Hires from Fiscal Year 2014 to 2018



Source: GAO analysis of DOD information. | GAO-19-509

DOD also increased its use of recruitment and retention flexibilities for its civilian acquisition workforce, increasing the dollar amount authorized from \$13.9 million in fiscal year 2014 to \$33.7 million in fiscal year 2018. This increase came as DOD leadership emphasized the benefits of these flexibilities, and oversaw concerted efforts to increase their usage through the dissemination of information to human resource specialists.

While usage of human capital flexibilities has increased, DOD's Office of Human Capital Initiatives (HCI), which is responsible for DOD-wide acquisition workforce strategic planning, does not regularly monitor or assess how the department uses these flexibilities. HCI regularly monitors the overall health of the acquisition workforce, including by reviewing workforce metrics on a quarterly basis, but does not regularly monitor the military departments' use of human capital flexibilities. For example, GAO found the Air Force and Navy used direct hire authorities twice as often as the Army in fiscal year 2018. Without efforts to gain such insights through monitoring, HCI may be missing opportunities to identify challenges, inconsistencies, or needed improvements in using these tools. With regard to assessing the use of human capital flexibilities, HCI intends to study how long it takes to hire personnel when using the flexibilities. According to DOD officials, this analysis can begin following development of a plan to ensure that defense components consistently collect data on hiring timeframes. DOD officials said they expect to issue this plan in 2019.

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Abbreviations

AcqDemo	Civilian Acquisition Workforce Personnel Demonstration Project
DACM	Director, Acquisition Career Management
DAWDF	Defense Acquisition Workforce Development Fund
DCPAS	Defense Civilian Personnel Advisory Service
DCPDS	Defense Civilian Personnel Data System
DHA	direct hire authority
DOD	Department of Defense
GS	General Schedule
HCI	Human Capital Initiatives
OPM	Office of Personnel Management
STEM	science, technology, engineering, and mathematics
STRL	Science and Technology Reinvention Laboratory
USD (A&S)	Under Secretary of Defense for Acquisition and Sustainment
USD (P&R)	Under Secretary of Defense for Personnel and Readiness

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August 15, 2019

Congressional Committees

The Department of Defense (DOD) spends over \$300 billion annually acquiring products and services spanning major weapon systems like the Joint Strike Fighter, commercially available items including laptop computers, and support for military bases in the form of maintenance and food services, among other things. DOD's acquisition workforce helps maintain military readiness and maximize DOD's buying power by managing and overseeing the contracts at the core of these acquisitions. This acquisition workforce consists of program managers, contracting officers, engineers, logisticians, cost estimators, and many others.

Like other federal agencies, DOD faces a number of challenges in hiring, recruiting, and retaining its civilian employees, including its civilian acquisition workforce personnel. Personnel provisions in Title 5 of the U.S. Code (Title 5) have generally governed much of the federal government's civil service system, including requirements for hiring, recruiting, and retaining personnel.¹ These provisions ensure a merit-based civil service, for example, by requiring agencies to publicly post job opportunities and screen applications against minimum qualification standards before filling a position. Federal agencies, however, have raised concerns that they have lost job candidates to the private sector due to the length of the hiring process. Over the past 10 years, Congress has enacted various human capital flexibilities in laws that provide DOD with authority and flexibility to shorten the hiring process.

Section 843 of the National Defense Authorization Act for Fiscal Year 2018 included a provision for us to review DOD's implementation of hiring and retention flexibilities for the acquisition workforce, with a focus on its civilian acquisition workforce.² This report: (1) provides information on DOD's use of available hiring, recruitment, and retention flexibilities for its civilian acquisition workforce personnel from fiscal years 2014 to 2018;

¹Title 5 includes, among other things, personnel management laws, procedures, and associated functions generally applicable to federal employees. Federal personnel laws governing topics such as classification, appointment, pay and benefits, and adverse action are contained in sections of Title 5.

²National Defense Authorization Act for Fiscal Year 2018, Pub. L. No. 115-91, § 843(b).

and (2) determines the extent to which DOD has monitored and assessed its use of these flexibilities.

To examine DOD's use of available hiring, recruitment, and retention flexibilities for its civilian acquisition workforce personnel from fiscal years 2014 to 2018, we reviewed relevant statutes, reports, and DOD policies and guidance to identify hiring, recruitment, and retention flexibilities available. Based on our review, we identified the following hiring authorities:

- competitive examination, which we refer to as “the traditional hiring method,” and
- 46 alternatives to the traditional hiring method, which we refer to as “hiring flexibilities” for the purposes of our review.³

We also identified four monetary incentives DOD can use to recruit and retain civilian acquisition workforce personnel—(1) recruitment bonuses, (2) retention bonuses, (3) relocation bonuses, and (4) student loan repayments—which we collectively refer to as “recruitment and retention flexibilities” for the purposes of our review.⁴

We also analyzed data from the Defense Civilian Personnel Data System (DCPDS), DOD's central repository for civilian personnel transactions data. We obtained DCPDS data on hiring actions from the Office of the Under Secretary of Defense (USD) for Personnel and Readiness (P&R) – Defense Manpower Data Center. We obtained DCPDS data on dollars authorized for recruitment and retention flexibilities from USD (P&R) – Defense Civilian Personnel Advisory Service (DCPAS). We electronically tested these data, reviewed relevant standards and guidance, and

³The 46 hiring flexibilities include 14 DOD direct hire authorities provided in statute, and 32 other flexibilities, such as government-wide hiring flexibilities provided in statute. Of the hiring flexibilities, we focused our analysis on DOD direct hire authorities because they comprised the single largest category of hiring authorities used by the DOD civilian acquisition workforce for hiring actions from fiscal year 2014 through 2018 at 60 percent. Appendix I provides information on each of these 46 flexibilities.

⁴Recruitment and retention flexibilities can also include other monetary incentives, such as DOD's permanent change of station incentive, which helps civilian employees pay for the costs of relocation, as well as work-life programs, such as flexible work schedules and the ability to telework. For the purposes of our review, we focused on the four government-wide monetary incentives with data available in the Defense Civilian Personnel Data System per DOD Instruction 1444.02, Volume 1, *Data Submission Requirements for DoD Civilian Personnel: Appropriated Fund Civilians* (Nov. 5, 2013). Appendix II provides information on each of the four monetary incentives.

interviewed DCPAS and Defense Manpower Data Center officials to determine that the data were sufficiently reliable for the purposes of reporting the frequency with which DOD's civilian acquisition workforce used hiring, recruitment, and retention flexibilities for fiscal years 2014 through 2018.

To determine the extent to which DOD has monitored and assessed its use of these flexibilities, we reviewed acquisition workforce human capital plans from each of the military departments (Air Force, Army, and Navy) and the USD for Acquisition and Sustainment (A&S) – Office of Human Capital Initiatives (HCI). We also reviewed DOD's policies and guidance for acquisition workforce management and the use of human capital flexibilities and data and metrics collected by HCI and DCPAS. We assessed DOD's efforts against our key practices for effectively managing human resource flexibilities and federal internal control standards, including that management should use quality information to achieve the entity's objectives.⁵ We also reviewed reports by the Advisory Panel on Streamlining and Codifying Acquisition Regulations—commonly referred to as the Section 809 Panel after the legislative provision that created it—and interviewed Section 809 Panel commissioners to supplement our analysis.⁶

For both objectives, we interviewed officials from

- HCI, the office responsible for DOD-wide acquisition workforce strategic planning;
- DCPAS, the office responsible for developing DOD's civilian human resources policies and programs;
- the Defense Manpower Data Center, the office responsible for collecting and maintaining DOD's civilian personnel data;

⁵GAO, *Federal Workforce: Key Talent Management Strategies for Agencies to Better Meet Their Missions*, [GAO-19-181](#) (Washington, D.C.: Mar. 28, 2019); *Human Capital: Effective Use of Flexibilities Can Assist Agencies in Managing Their Workforces*, [GAO-03-2](#) (Washington, D.C.: Dec. 6, 2002); and *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014).

⁶Advisory Panel on Streamlining and Codifying Acquisition Regulations, *Report of the Advisory Panel on Streamlining and Codifying Acquisition Regulations Volume 2 of 3*, (Arlington, Va.: June 2018). The panel was established pursuant to Section 809 of the National Defense Authorization Act for Fiscal Year 2016. The panel also released Volume 1 in January 2018 and Volume 3 in January 2019.

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- the Directors for Acquisition Career Management (DACM) for each military department and the Fourth Estate, which is responsible for the 30 defense agencies and field activities outside the military departments;
 - the Air Force Personnel Center;
 - Army’s Civilian Human Resources Agency;
 - Navy’s Office of Civilian Human Resources; and
 - the command within each military department that had the largest number of civilian acquisition workforce personnel in fiscal year 2018: Air Force Materiel Command, Army Combat Capabilities Development Command, and Naval Sea Systems Command. We also interviewed officials from the Defense Contract Management Agency, which had the largest number of civilian acquisition personnel of the other defense agencies with acquisition workforce personnel. Collectively, these four organizations comprised about 38 percent of DOD’s civilian acquisition workforce in fiscal year 2018.

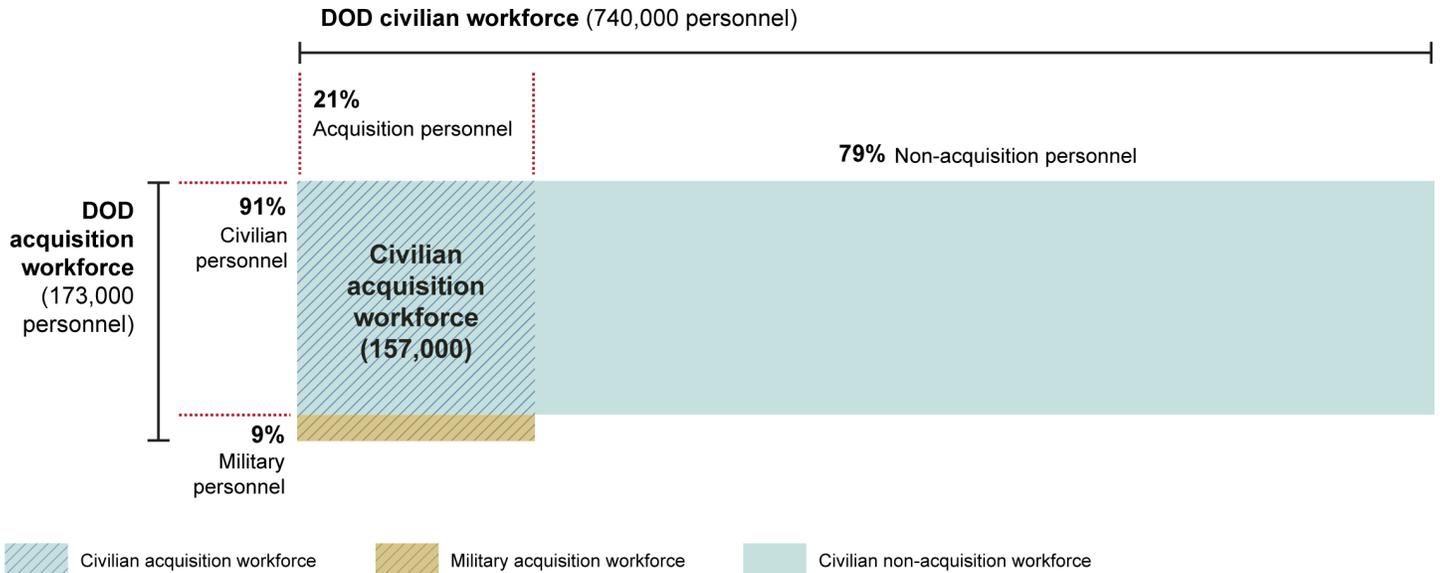
We also interviewed personnel from the Office of Personnel Management (OPM), which is responsible for developing and promulgating government-wide human capital policies, and personnel from the Society for Human Resource Management, the world’s largest human resources membership group, who were familiar with metrics used by the private sector to monitor hiring and retention efforts. See appendix III for more information about our scope and methodology.

We conducted this performance audit from August 2018 to August 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

A skilled acquisition workforce is vital to maintaining military readiness, increasing the department’s buying power, and achieving substantial long-term savings through activities such as systems engineering and contract administration. As of September 2018, DOD’s civilian acquisition workforce was comprised of about 157,000 civilian personnel (see figure 1).

Figure 1: Department of Defense (DOD) Civilian Acquisition Workforce Presented as a Portion of DOD’s Total Civilian Workforce and Total Acquisition Workforce as of September 2018



Source: GAO analysis of DOD information. | GAO-19-509

Note: Personnel numbers are rounded to the nearest thousand.

About 60 percent of DOD’s civilian acquisition workforce personnel held positions in 3 of 14 acquisition career fields: engineering, contracting, and life cycle logistics (see table 1).⁷

⁷Pursuant to the Defense Acquisition Workforce Improvement Act, DOD identified 13 career fields and designated acquisition-related positions held by military or civilian personnel. Pub. L. No. 101-510, §§ 1201-1211 (1990) (relevant sections codified, as amended, at 10 U.S.C. §§ 1701-1764). The workforce currently includes 14 designated acquisition career fields.

Table 1: Department of Defense (DOD) Civilian Acquisition Workforce Personnel by 14 Acquisition Career Fields as of September 2018

Acquisition career field	Number of personnel	Percentage of total civilian acquisition workforce
Engineering	43,355	28
Contracting	26,772	17
Life cycle logistics	19,754	13
Program management	13,027	8
Facilities engineering	11,877	8
Production, quality, and manufacturing	10,350	7
Information technology	7,648	5
Test and evaluation	7,006	4
Financial management	6,729	4
Auditing	4,219	3
Science and technology manager	3,522	2
Cost estimating	1,388	0.9
Purchasing	1,260	0.8
Industrial contract property management	395	0.3
Unknown ^a	16	0.01
Total	157,318	100^b

Source: GAO presentation of the Office of the Under Secretary of Defense for Acquisition and Sustainment, Office of Human Capital Initiatives data. | GAO-19-509

^aThe unknown category includes personnel without designated career fields.

^bThe total percentage does not add up to 100 percent due to rounding.

Prior Studies on DOD Acquisition Workforce Challenges

We have previously found that DOD has faced various challenges in growing and sustaining its acquisition workforce, including challenges with hiring, recruiting, and retaining personnel.⁸ In December 2015, we found that over the past 20 years, DOD has significantly reduced and then subsequently increased the size of its acquisition workforce.⁹

⁸GAO, *Defense Acquisition Workforce: Actions Needed to Guide Planning Efforts and Improve Workforce Capability*, [GAO-16-80](#) (Washington, D.C.: Dec. 14, 2015); *High-Risk Series: Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas*, [GAO-19-157SP](#) (Washington, D.C.: Mar. 6, 2019); and *DOD Personnel: Further Actions Needed to Strengthen Oversight and Coordination of Defense Laboratories' Hiring Efforts*, [GAO-18-417](#) (Washington, D.C.: May 30, 2018).

⁹[GAO-16-80](#).

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- During the 1990s, as defense budgets decreased, DOD reduced the size of its military and civilian acquisition workforce, and by the early 2000s it began relying more heavily on contractors to perform many acquisition support functions. According to DOD, between 1998 and 2008, the number of military and civilian personnel performing acquisition activities decreased 14 percent, from about 146,000 to about 126,000 personnel.
 - Due to concerns about skill gaps within the workforce and growing reliance on contractors, the Secretary of Defense announced his intention in 2009 to rebalance the workforce mix. In 2010, DOD issued an acquisition workforce plan that specified DOD would add 20,000 military and civilian personnel to its acquisition workforce by fiscal year 2015. DOD subsequently increased the size of its military and civilian acquisition workforce by 21 percent between 2008 and 2015 to about 153,000 personnel, but did not accomplish growth goals set for certain priority career fields, such as engineering and contracting. DOD officials stated that the shortfalls were largely the result of high attrition rates, difficulty hiring qualified personnel, and budget constraints.

In May 2018, we found that DOD's Science and Technology Reinvention Laboratories (defense laboratories), which include acquisition workforce personnel, experienced challenges with delays with security clearances and human resource processing of personnel actions, which contributed to a lengthy hiring process.¹⁰ We also found that the delays made it difficult for defense laboratories to hire highly qualified candidates.

Similarly, in June 2018, the Section 809 Panel identified DOD's cumbersome hiring process as a challenge for shaping its acquisition workforce. The Section 809 Panel emphasized that these challenges undermine DOD's ability to successfully recruit top candidates into the acquisition workforce.

Most recently, in March 2019, we reported that DOD had not developed metrics to track progress associated with shaping the future acquisition workforce, such as workforce targets as a whole or by specific career fields.¹¹ For example, we reported that DOD issued an updated acquisition workforce strategic plan in October 2016 which, among other

¹⁰[GAO-18-417](#).

¹¹[GAO-19-157SP](#).

things, assessed its current capacity and capability, and identified risks that DOD needed to manage to meet future needs. In addition, in September 2017, DOD issued a workforce rationalization plan. However, neither the October 2016 strategic plan nor the September 2017 workforce rationalization plan established specific size targets. We noted that without such metrics, DOD would not be able to demonstrate that its strategic workforce planning efforts and associated initiatives were successful, despite increasing the size of its acquisition workforce beyond its earlier target.

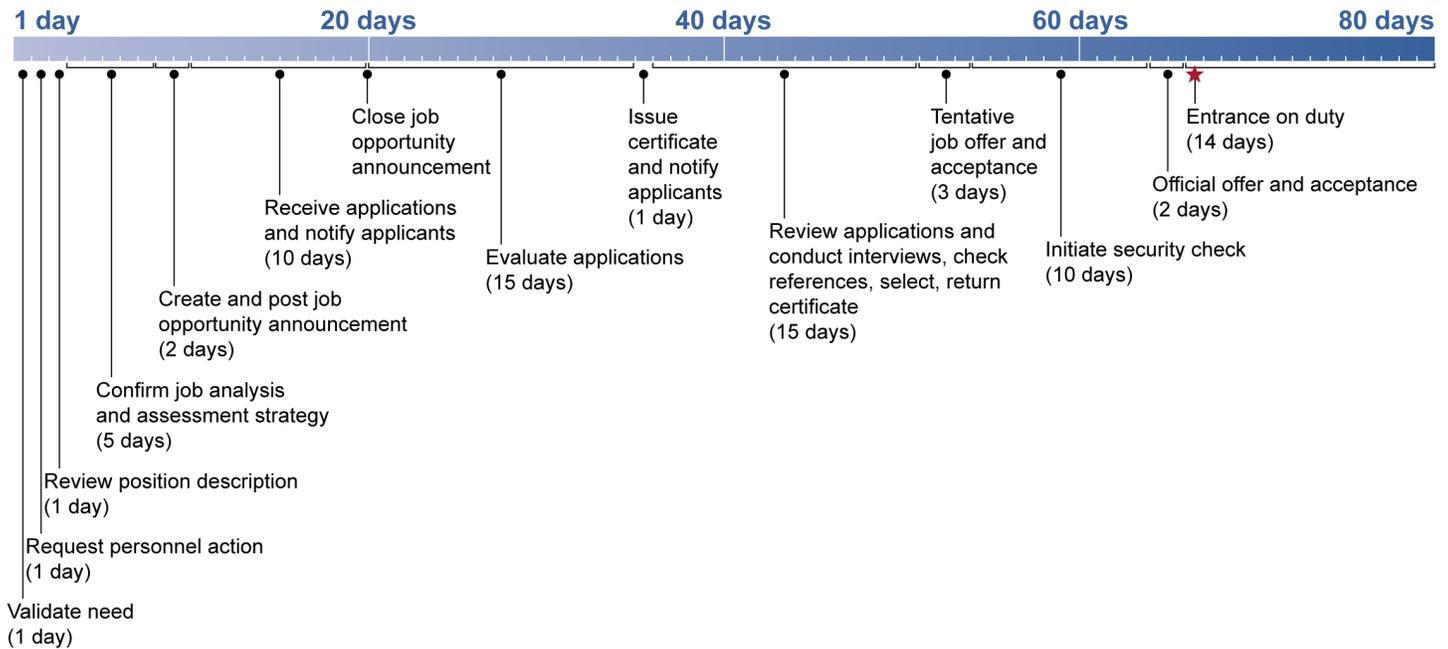
Federal Hiring Process and Available Flexibilities

DOD's challenges with hiring civilian acquisition workforce personnel are not unique within the federal government. The traditional method of hiring for the federal government, also known as the competitive examining process, has been characterized by federal agencies as rigid and lacking in flexibility. The traditional hiring method generally requires agencies to, among other things, notify the public that the government will accept job applications for a position, screen applications against minimum qualification standards, apply selection priorities such as veterans' preference, and assess applicants' relative competencies or knowledge, skills, and abilities against job-related criteria to identify the most qualified applicants.¹² In 2008, OPM established a roadmap for the traditional hiring method, including an 80-day time-to-hire goal (see figure 2).¹³

¹²Federal civil service employees, other than those in the Senior Executive Service, are employed in either the competitive service, 5 U.S.C. §2102(a), or the excepted service, 5 U.S.C. § 2103(a). The competitive service examination process is one of the processes intended to ensure that agencies' hiring activities comply with merit principles. Excepted service positions are those positions which are excepted from the competitive service by or pursuant to statute, by the President, or by OPM. 5 C.F.R. § 213.101. OPM may except positions from the competitive service, for example, when it determines that appointments into such positions through competitive examination are not practicable or for recruitment of certain types of students or individuals who recently completed qualifying educational programs. 5 C.F.R. § 6.1(a) and §213.102(b).

¹³OPM, *End-to-End Hiring Initiative* (2008).

Figure 2: The Federal Government Competitive Hiring Process, Including Time-to-Hire Goals



Source: GAO presentation of Office of Personnel Management information. | GAO-19-509

To address some of the human capital challenges federal agencies face, statutes have provided hiring, recruitment, and retention flexibilities that provide agencies with tools to help manage their workforces. Legislation has also provided hiring flexibilities exclusively to DOD for specified purposes, including hiring acquisition workforce personnel.

Hiring Flexibilities

Hiring flexibilities can help the government fill critical skills gaps or achieve certain public policy goals, such as employing veterans. As of September 2018, we identified 46 hiring flexibilities that DOD could use to hire civilian acquisition workforce personnel, including the following.

- **DOD Direct Hire Authorities.** These authorities help expedite the hiring process by allowing DOD to hire candidates without regard to certain provisions in Title 5, such as veterans' preference and applicant rating and ranking. According to DOD officials, using direct hire authorities can reduce the time to hire personnel by nearly half as compared to the traditional hiring method. We identified 14 DOD direct hire

authorities in effect as of fiscal year 2018 that DOD could use to hire civilian acquisition workforce personnel.¹⁴ For example, the “expedited hiring authority for certain defense acquisition workforce positions” (expedited hiring authority for acquisition positions) permits the Secretary of Defense to determine that a shortage of candidates or a critical hiring need exists for certain acquisition workforce positions, and to recruit and appoint qualified persons directly to those positions.¹⁵ For the purposes of the expedited hiring authority, in December 2015, the Secretary of Defense had designated 12 of the 14 acquisition career fields as critical or understaffed, including the engineering, contracting, and life cycle logistics career fields.¹⁶

- DOD Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo) Hiring Authorities. According to HCI officials, about 19 percent of DOD’s civilian acquisition workforce personnel participate in the AcqDemo performance management system, an alternative to the General Schedule pay system.¹⁷ Hiring managers under AcqDemo may use AcqDemo-specific hiring flexibilities, such as direct hire appointments for the business and technical management professional career path, in addition to hiring flexibilities available DOD-wide.
- Veterans-Related Hiring Authorities. These authorities allow agencies to hire certain veterans without regard to certain provisions in Title 5.¹⁸ For example, agencies may appoint eligible veterans under the Veterans’ Recruitment Appointment authority without competition

¹⁴See appendix I, tables 7 and 9 for additional information on the 14 DOD direct hire authorities provided in statute.

¹⁵10 U.S.C. § 1705(f).

¹⁶DOD did not designate purchasing or industrial contract property management as critical or understaffed career fields.

¹⁷Section 1762 of Title 10, United States Code, provides the Secretary of Defense authority to establish personnel management system demonstration projects. DOD implemented AcqDemo in 1999. 82 Fed. Reg. 52104 (November 9, 2017) provides additional information on AcqDemo regulations and procedures, including AcqDemo hiring flexibilities initiated by DOD.

¹⁸For the purposes of this report, veterans-related hiring authorities refer to the special selection procedures for certain veterans under merit promotion authority for competitive service appointments, Veterans’ Recruitment Appointment, and noncompetitive appointments for veterans with a service-connected disability of 30 percent or more. See appendix I, table 10 for more information on these three veterans-related hiring authorities.

under limited circumstances or otherwise through excepted service hiring procedures.¹⁹

- Pathways Programs. These programs promote employment opportunities in the federal government for students and recent graduates through an exception to the competitive hiring rules for certain positions in the federal workforce.²⁰

Appendix I provides additional information on the hiring flexibilities that were available to DOD's civilian acquisition workforce as of September 2018.

Recruitment and Retention Flexibilities

Sections of Title 5 outline recruitment and retention flexibilities that agencies can offer to prospective and current employees to help recruit and retain highly qualified personnel. Like other federal agencies, DOD can use these incentives to recruit and retain civilian personnel, including those in the acquisition workforce.

- Recruitment bonuses may be paid to a newly hired federal employee if the agency determines that the position would be difficult to fill in the absence of a bonus.²¹
- Relocation bonuses may be paid to a current employee who must relocate for a position in a different geographic area if the agency determines that the position would be difficult to fill in the absence of a bonus.²²
- Retention bonuses may be paid to a current employee if the agency determines that the unusually high or unique qualifications of the employee or a special need of the agency for the employee's services makes it essential to retain the employee who would likely leave federal service in the absence of such a bonus.²³

¹⁹38 U.S.C. § 4214(b), 5 C.F.R. § 307.103, and 5 C.F.R. part 302.

²⁰Executive Order 13562 established the Pathways Programs in 2010. The Executive Order established the Internship Program and the Recent Graduates Program and modified the Presidential Management Fellows program, which are collectively known as the Pathway Programs. See Exec. Order 13562, Recruiting and Hiring Students and Recent Graduates. 75 Fed. Reg. 82585 (Dec. 30, 2010), 5 C.F.R. part 362.

²¹5 U.S.C. § 5753; 5 C.F.R. part 575, subpart A.

²²5 U.S.C. § 5753; 5 C.F.R. part 575, subpart B.

²³5 U.S.C. § 5754; 5 C.F.R. part 575, subpart C.

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- Student loan repayments may be paid on behalf of a job candidate or a current employee to recruit or retain highly qualified personnel.²⁴ The employees must sign a service agreement of at least 3 years with the agency that pays the loans. Federal agencies may pay up to \$10,000 per employee per calendar year, totaling no more than \$60,000 for any one employee.

DOD can fund the four monetary incentives with the Defense Acquisition Workforce Development Fund (DAWDF)—a dedicated funding source for the recruitment, training, and retention of DOD’s acquisition personnel—as well as other sources, such as operations and maintenance appropriations.²⁵

Appendix II provides additional information on the recruitment and retention flexibilities available to DOD’s civilian acquisition workforce as of September 2018.

DOD Acquisition Workforce and Civilian Personnel Leaders

Several offices within DOD play key roles in managing how the department uses hiring, recruitment, and retention flexibilities for the civilian acquisition workforce. For example, HCI oversees department-wide acquisition workforce strategic planning; DCPAS develops implementation guidance on how DOD flexibilities should be used; and civilian personnel centers track the extent to which flexibilities are used (see table 2).

²⁴5 U.S.C. § 5379; 5 C.F.R. part 537.

²⁵In 2008, DAWDF was established to provide DOD with a dedicated funding source to ensure that the DOD acquisition workforce has the capacity, in both personnel and skills, needed to properly perform its mission, provide appropriate oversight of contractor performance, and ensure that DOD receives the best value for the expenditure of public resources. DAWDF was codified in section 1705 of Title 10 of the U.S. Code. DOD has used DAWDF to fund three categories of activities: recruitment and hiring; training and development; and retention and recognition of personnel. According to HCI officials, from fiscal years 2008 through 2018, DAWDF was funded by approximately \$4.6 billion through congressional appropriations, credits remitted by the military departments, or transfers of expired funds.

Table 2: Department of Defense (DOD) Leaders' Roles and Responsibilities in Managing Hiring, Recruitment, and Retention Flexibilities for the Civilian Acquisition Workforce

DOD leader(s)	Roles and responsibilities
Office of the Under Secretary of Defense for Acquisition and Sustainment – Director, Human Capital Initiatives (HCI)	<ul style="list-style-type: none"> • Oversee department-wide acquisition workforce strategic planning • Implement DOD-wide workforce strategies and policies to help attract and retain acquisition workforce personnel • Develop implementation guidance for DOD Civilian Acquisition Workforce Personnel Demonstration Project hiring authorities • Manage the Defense Acquisition Workforce Development Fund, a key source of funding for recruitment and retention flexibilities in the civilian acquisition workforce
Director, Defense Civilian Personnel Advisory Service	<ul style="list-style-type: none"> • Develop department-wide policies and implementation guidance on how flexibilities should be used • Develop department-wide metrics for assessing hiring, recruitment, and retention efforts • Provide HCI with data on flexibilities usage for the civilian acquisition workforce • Report data on flexibilities usage in response to congressional requests
Director, Acquisition Career Management for each military department and other defense agencies	<ul style="list-style-type: none"> • In consultation with HCI, oversee component-wide acquisition workforce strategic planning • Implement component-wide workforce initiatives to help attract and retain acquisition workforce personnel • Serve as program manager for the component's Defense Acquisition Workforce Development Fund program, including compiling and providing future requirements and spending plans
Directors, civilian personnel centers for each military department and other defense agencies	<ul style="list-style-type: none"> • Develop component-level policies and implementation guidance on how hiring, recruitment, and retention flexibilities should be used for the civilian acquisition workforce • Track data on flexibilities usage within their respective components
Civilian personnel centers' human resource specialists	<ul style="list-style-type: none"> • Advise hiring managers on flexibilities usage • Develop and post job vacancy announcements, including whether flexibilities will be used • Process personnel actions related to hiring and authorization of recruitment and retention flexibilities
Major commands' hiring managers	<ul style="list-style-type: none"> • In consultation with human resource specialists, determine which flexibility to use—if any—when hiring, recruiting, and retaining civilian acquisition workforce personnel

Source: GAO analysis of DOD information. | GAO-19-509

DOD Has Increased Its Use of Hiring, Recruitment, and Retention Flexibilities for Its Civilian Acquisition Workforce

From fiscal year 2014 to 2018, DOD increased its use of hiring, recruitment, and retention flexibilities for its civilian acquisition workforce. During this period, DOD used hiring flexibilities for 90 percent of its approximately 44,000 civilian acquisition workforce hiring actions. This high usage rate came as USD (A&S), USD (P&R), and the military departments' leadership encouraged their hiring managers and human resource specialists to use the hiring flexibilities to help reduce the length of the hiring process. Additionally, during this period, DOD's human resource specialists issued guidance that helped address confusion about the requirements governing the hiring authorities. Currently, USD (P&R) is leading a DOD-wide effort to consolidate direct hire authorities in an attempt to simplify their application. During this 5-year period, DOD also increased its use of recruitment and retention flexibilities for the civilian acquisition workforce, increasing the dollar amount authorized for these flexibilities from \$13.9 million in fiscal year 2014 to \$33.7 million in fiscal year 2018. This increase came as DOD leadership emphasized the benefits of recruitment and retention flexibilities and oversaw concerted efforts to increase their usage through the dissemination of information to human resource specialists.

DOD Used Hiring Flexibilities for Vast Majority of Civilian Acquisition Workforce Hires from Fiscal Years 2014 to 2018

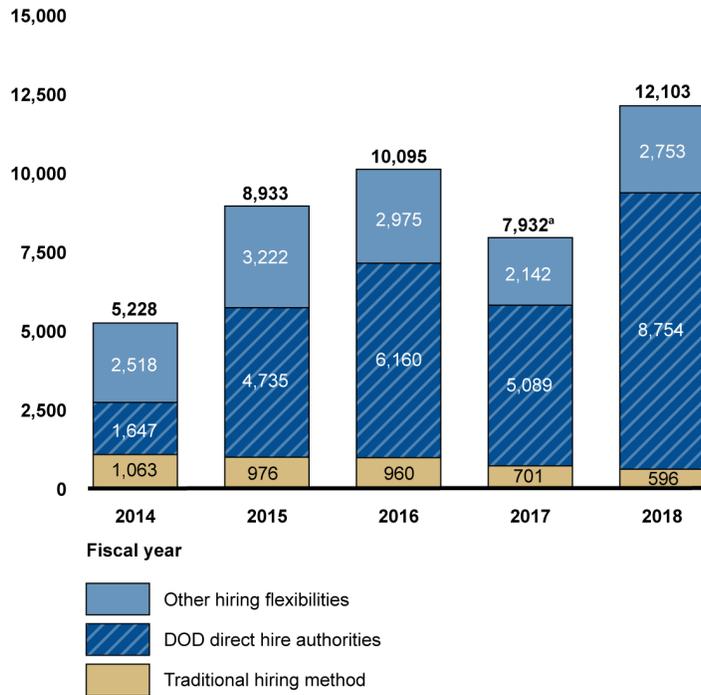
We found that DOD used hiring flexibilities for about 90 percent of DOD's approximately 44,000 civilian acquisition workforce hiring actions between fiscal years 2014 and 2018.²⁶ Further, DOD increased its use of these flexibilities, which include direct hire authorities, from 80 percent in fiscal year 2014 to 95 percent in fiscal year 2018 (see figure 3).²⁷

²⁶According to HCI's publicly reported data, from fiscal year 2014 to 2018, DOD hired about 43,000 new civilian acquisition workforce personnel, which does not include personnel who transferred from within the department or the re-categorization of existing positions as acquisition. The number of hiring actions—about 44,000—is slightly greater than the number of new personnel hired because personnel can separate from and re-enter DOD as another hire, and personnel can be hired under multiple term or temporary appointments within a year. Annually, the number of hiring actions was 0.1 to 6 percent greater than the number of new personnel from fiscal year 2014 to 2018.

²⁷Appendix IV provides additional information on DOD's use of hiring flexibilities by career field. Appendix V provides additional information on DOD's use of hiring flexibilities by military department and defense agencies.

Figure 3: The Department of Defense (DOD) Predominantly Relied on Hiring Flexibilities to Hire Civilian Acquisition Workforce Personnel from Fiscal Year 2014 to 2018

Total hiring actions for 5-year period: 44,291



Source: GAO analysis of Defense Civilian Personnel Data System data. | GAO-19-509

Note: "Traditional hiring method" is the competitive examining method outlined in sections of Title 5 of the U.S. Code. "DOD direct hire authorities" are a type of hiring flexibility and include DOD-specific direct hire authorities provided in statute, including the expedited hiring authority for certain defense acquisition workforce positions, as well as DOD Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo) hiring authorities. "Other hiring flexibilities" include veterans-related hiring authorities and Pathways Programs authorities among other hiring authorities.

^aThe decrease in DOD hiring actions for fiscal year 2017 is largely attributed to a government-wide hiring freeze.

From fiscal year 2014 to 2018, DOD used the expedited hiring authority for acquisition positions more than any other direct hire authority for its civilian acquisition workforce.²⁸ Congress enacted this authority in fiscal year 2009 and in fiscal year 2010, amended the authority to, among other things, allow hiring of all qualified applicants instead of only highly

²⁸10 U.S.C. § 1705(f).

qualified applicants.²⁹ Additionally, in November 2015, legislation eliminated the expedited hiring authority's expiration date and made the authority permanent.³⁰ Command officials told us that they used this authority often because it does not have as many requirements as other direct hire authorities and because of their familiarity with it. Nine of the 14 DOD direct hire authorities identified were not available for use until fiscal year 2017 because they were enacted after that year or DOD had not yet implemented the authority, either through memorandums or federal register notices (see table 3).

Table 3: Enactment Dates, Implementation Dates, and Use of Department of Defense (DOD) Direct Hire Authorities (DHA) Available to the Civilian Acquisition Workforce from Fiscal Year 2014 to 2018

DOD direct hire authority	Enactment date	Implementation date	Number of hiring actions using DHA by fiscal year				
			2014	2015	2016	2017	2018
Expedited hiring authority for certain defense acquisition workforce positions	Oct. 2008	Dec. 2008	1,490	3,534	4,794	3,494	5,412
DHA for defense laboratory STEM advanced degrees	Oct. 2008, as amended, Jan. 2011 ^a	July 2014	98	417	396	306	433
DHA for defense laboratory STEM bachelor's degrees	Dec. 2013	July 2014	23	684	893	1,043	1,423
DHA for defense laboratory STEM veterans	Dec. 2013	July 2014	3	64	47	45	104
DHA for senior scientific and technical managers at research and engineering facilities	Dec. 2013	July 2014	0	0	0	0	0
DHA for defense laboratory STEM students	Dec. 2014	June 2017	—	○	○	1	5
DHA for select technical acquisition experts	Nov. 2015	Dec. 2016	—	—	○	17	211
DHA for select veteran technical acquisition experts	Nov. 2015	Dec. 2016	—	—	○	2	15
DHA for post-secondary students and recent graduates	Dec. 2016	Feb. 2017	—	—	—	33	155
DHA for defense industrial base and major range and test facilities base	Dec. 2016	June 2017	—	—	—	19	674
DHA for financial management experts	Dec. 2016	June 2017	—	—	—	4	117

²⁹Pub. L. No. 111-84, § 831.

³⁰Pub. L. No. 114-92, § 841(a)(3).

DOD direct hire authority	Enactment date	Implementation date	Number of hiring actions using DHA by fiscal year				
			2014	2015	2016	2017	2018
DHA for the Director of Operational Test and Evaluation	Dec. 2016	June 2017	—	—	—	1	0
DHA for cyber workforce positions	Dec. 2016	Aug. 2017	—	—	—	0	37
DHA for business transformation and management innovation	Dec. 2017	Aug. 2018	—	—	—	—	0
Other DHAs ^b			33	36	30	124	168
Total			1,647	4,735	6,160	5,089	8,754

Abbreviations

DHA Direct hire authority

STEM Science, technology, engineering, and mathematics

Key

— DHA not yet enacted

○ DHA enacted but implementing guidance not yet available

Source: GAO analysis of Defense Civilian Personnel Data System data, laws, DOD memorandums, and Federal Register notices. | GAO-19-509

^aThe DHA for defense laboratory STEM advanced degrees was enacted in October 2008. In January 2011, the authority was amended to clarify and correct provisions in the October 2008 law, as enacted.

^bOther DHAs include those under DOD's Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo) and those actions where the Defense Civilian Personnel Data System did not include information on the specific DHA used.

Factors That Contributed to the Increased Use of Hiring Flexibilities

Since 2015, USD (A&S), USD (P&R), and leadership of the military departments have encouraged the use of hiring flexibilities—particularly direct hire authorities—over the traditional method.

- From July 2015 to November 2017, USD (A&S) and USD (P&R) convened five joint acquisition and human resource summits to provide a recurring forum for discussing leading practices in sustaining the acquisition workforce, including the improved use of hiring flexibilities.
- In October 2016, USD (A&S) issued its current acquisition workforce strategic plan for DOD and used this document to encourage implementation of direct hire authorities as appropriate.
- In November 2017, senior leadership in the USD (P&R) office issued a Federal Register Notice that updated and consolidated AcqDemo's rules and guidance, including introducing additional AcqDemo hiring flexibilities (see appendix I, table 8 for additional information on these flexibilities).

- In 2018, the Secretary of the Navy, the Assistant Secretary of the Army for Manpower and Reserve Affairs, and the Assistant Secretary of the Air Force for Manpower and Reserve Affairs each issued memorandums to their respective departments stating that the use of direct hire authorities be considered first in the hiring process, as appropriate. These memorandums note that direct hire authorities provide significant advantages in timeliness compared to the traditional hiring process, and encourage maximum use of direct hire authorities to the extent appropriate.

In addition to DOD leadership emphasis, command officials credited DCPAS and the military departments' civilian personnel centers for taking actions to help DOD increase its use of direct hire authorities. These officials explained that confusion among hiring managers and human resource specialists over the numerous requirements that apply to each direct hire authority constituted one of the main challenges that had previously limited DOD's use of direct hire authorities. To illustrate the potential for confusion, table 4 presents some of the direct hire authority requirements a hiring manager would have to consider under two different hiring authorities.

Table 4: Examples of Variations in Requirements for Selected Direct Hire Authorities

Type of direct hire authority	Expiration date	Limit on the number of personnel that can be hired	Public announcement requirement	Positions covered	Veterans' preference
Expedited hiring authority for certain defense acquisition workforce positions	None	None	Yes	DOD acquisition personnel in 13 of 14 career fields	Yes, qualified candidates with veterans' preference should be considered for appointments when they are found to best meet mission requirements
Direct hire authority for DOD post-secondary students and recent graduates	Sept. 30, 2025	25 percent of the number of hires made into DOD professional and administrative occupations at the General Schedule (GS)-11 level and below under competitive examining procedures during the previous fiscal year	Yes, publicly advertise to the extent practical	Post-secondary students and recent graduates in professional and administrative positions which are at the GS-11 level and below	No

Source: DOD information. | GAO-19-509

Factors That Contributed to
Limiting the Use of Hiring
Flexibilities

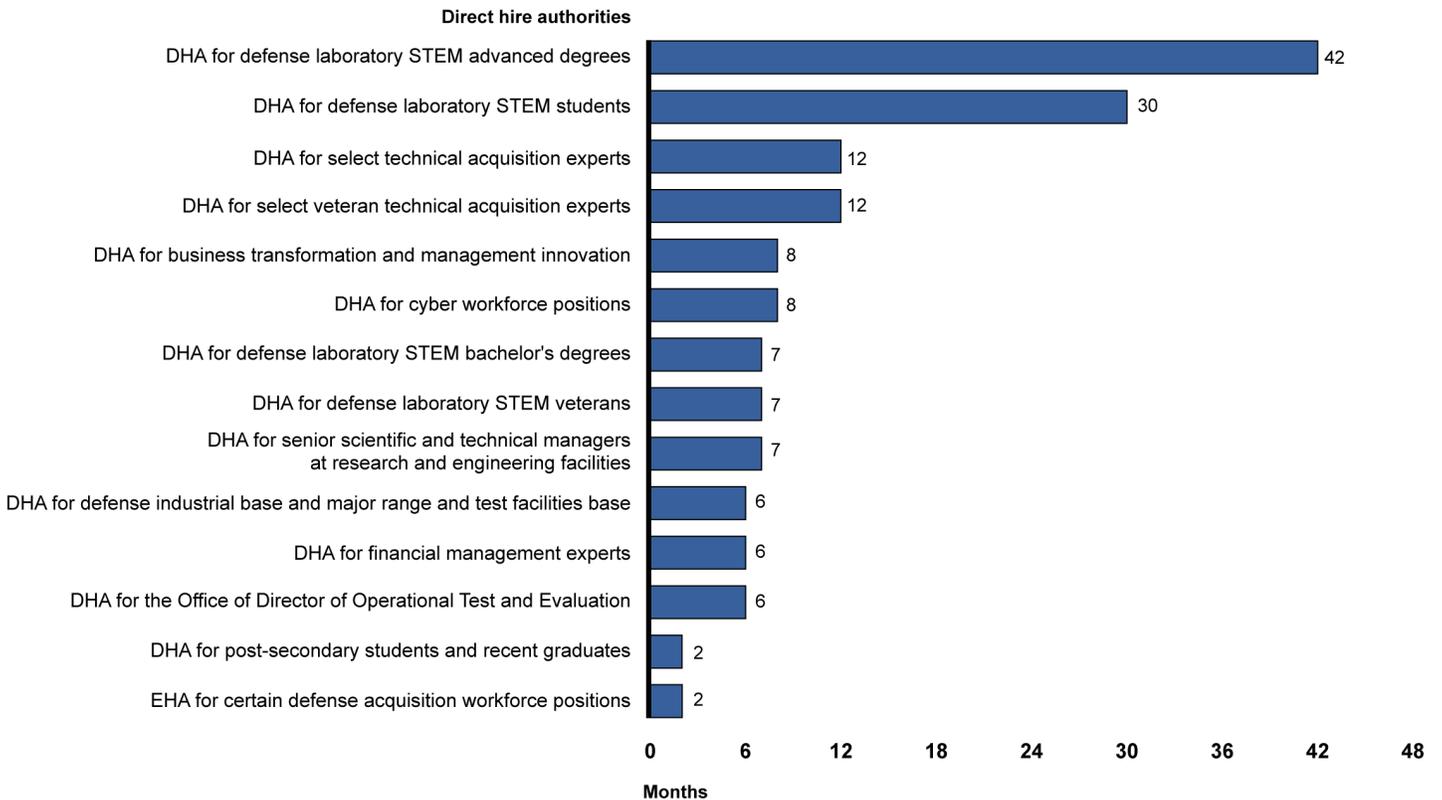
To help address the confusion stemming from the direct hire authorities' numerous requirements, in 2017 and 2018, DCPAS and the personnel centers consolidated information on the available direct hire authorities and the requirements that govern each of them into concise and comprehensive guidance documents. As a result, command-level and personnel center officials told us that human resource specialists can now quickly find and compare available direct hire authorities to determine what may work best for their hiring needs.

We found that the military departments' use of certain direct hire authorities was limited by the amount of time it took DOD leadership to implement some of the authorities.³¹ DCPAS officials told us that although Congress enacts direct hire authorities in legislation, DOD human resource personnel and hiring managers do not use the authorities until DOD and the components issue implementing guidance. We found that DOD implemented the 14 DOD direct hire authorities anywhere from 2 to 42 months after an authority's enactment (see figure 4).³²

³¹Direct hire authorities under AcqDemo and the defense laboratory personnel demonstration projects were implemented through federal register notices. For other direct hire authorities, DCPAS issued DOD-wide implementing guidance.

³²We did not include the AcqDemo direct hire authorities in this analysis because DOD received authority to conduct AcqDemo, with OPM's approval, and the AcqDemo hiring authorities established within AcqDemo were implemented through federal register notices.

Figure 4: Time Elapsed between Enactment and Implementation of Selected Department of Defense (DOD) Direct Hire Authorities Available to DOD’s Civilian Acquisition Workforce from Fiscal Year 2008 to 2018



EHA Expedited hiring authority
DHA Direct hire authority
STEM Science, technology, engineering, and mathematics

Source: GAO analysis of statutes and DOD guidance. | GAO-19-509

Note: For the purposes of this analysis, we focused on 14 DOD direct hire authorities provided in statute and available as of September 2018 that DOD could use to hire DOD civilian acquisition workforce personnel.

In May 2018, we reported on the 30-month lapse between the enactment of the science, technology, engineering, and mathematics direct hire authority for students at the defense laboratories and DOD’s issuance of corresponding implementation guidance.³³ Defense laboratory officials told us it took longer than anticipated to publish the federal register notice that allowed the laboratories to use the hiring authority, and they attributed the delays to coordination issues among relevant offices during

³³GAO-18-417.

the approval process.³⁴ In December 2018, we found that the defense laboratories hired significantly fewer students than authorized because of the delays.³⁵ To address the delays, in May 2018, we recommended that DOD establish and document time frames for its coordination process to help ensure the timely implementation of defense laboratory hiring authorities in the future. DOD concurred with our recommendation and identified actions the department plans to take to improve oversight and coordination of the defense laboratories' hiring efforts.

DOD acquisition workforce and human resource officials told us that they also did not use certain direct hire authorities as much from fiscal years 2014 to 2018 because the requirements associated with them made them harder to use. For example, according to DOD guidance documents we reviewed, most of the DOD direct hire authorities applicable to the civilian acquisition workforce have expiration dates or limits on the number of hires. Table 5 provides examples of requirements governing direct hire authorities that officials identified as making the authorities more difficult to use.

³⁴The federal register notice process has traditionally been used by the department to implement the personnel demonstration projects at the defense laboratories, according to DOD officials.

³⁵GAO, *Defense Science and Technology: Actions Needed to Enhance Use of Laboratory Initiated Research Authority*, [GAO-19-64](#) (Washington, D.C.: Dec. 20, 2018).

Table 5: Examples of Requirements that Department of Defense (DOD) Officials Identified as Hindering Implementation of Direct Hire Authorities (DHA)

Requirements	Example of challenges implementing DHA due to requirements
Expiration dates	Air Force Personnel Center officials said that they sometimes avoided using DHAs when the authorities were close to expiring because they were concerned that they would have to start the hiring process over if a job offer was not provided before the expiration date of the DHA.
Limits on the number of hires	Naval Sea Systems Command officials said that some defense laboratories hired up to their limits—which are provided in statute for certain positions for the defense laboratory DHAs—and could have hired additional personnel had the limits been higher.
Public announcements	An Army Director for Acquisition Career Management official told us that the public announcement requirement for the expedited hiring authority for certain defense acquisition workforce positions adds time to the hiring process.
DOD's Priority Placement Program	DOD's Priority Placement Program provides certain DOD employees whose positions are eliminated—e.g. through base closures—priority placement in vacant positions within DOD. An official from the Office of Human Capital Initiatives (HCI) told us that most DHAs do not waive the requirements of the Priority Placement Program. As a result, human resource specialists cannot use these DHAs until they have determined no eligible employees qualify for a position. HCI officials told us this process involves a database search, which can be time-consuming and hinder usage of those DHAs. HCI officials stated that alternatively, some DHAs waive the Priority Placement Program requirements, and it is easier to implement these DHAs as a result.

Source: GAO analysis DOD information. | GAO-19-509

Going forward, HCI and DCPAS officials told us that USD (P&R) is leading a DOD-wide effort to advise Congress on which direct hire authorities could be consolidated and which requirements could be eliminated. For example, HCI officials said that USD (P&R) recently provided Congress input on consolidating four cybersecurity-related authorities into one authority. DCPAS officials also told us they previously provided input to Congress on certain challenges hiring managers experienced in using some of the direct hire authorities. According to command officials, DCPAS recommended that Congress raise the limits on the number of personnel that could be hired under the defense laboratory direct hire authorities.

DOD Increased Its Use of Recruitment and Retention Flexibilities from Fiscal Years 2014 to 2018

We found that DOD increased its use of recruitment and retention flexibilities from fiscal year 2014 to fiscal year 2018. We also examined two other issues related to recruitment and retention—post-employment restrictions on military personnel and authorities to remove civilian acquisition workforce employees for unacceptable performance. DOD officials did not identify either issue as a major challenge for managing the civilian acquisition workforce.

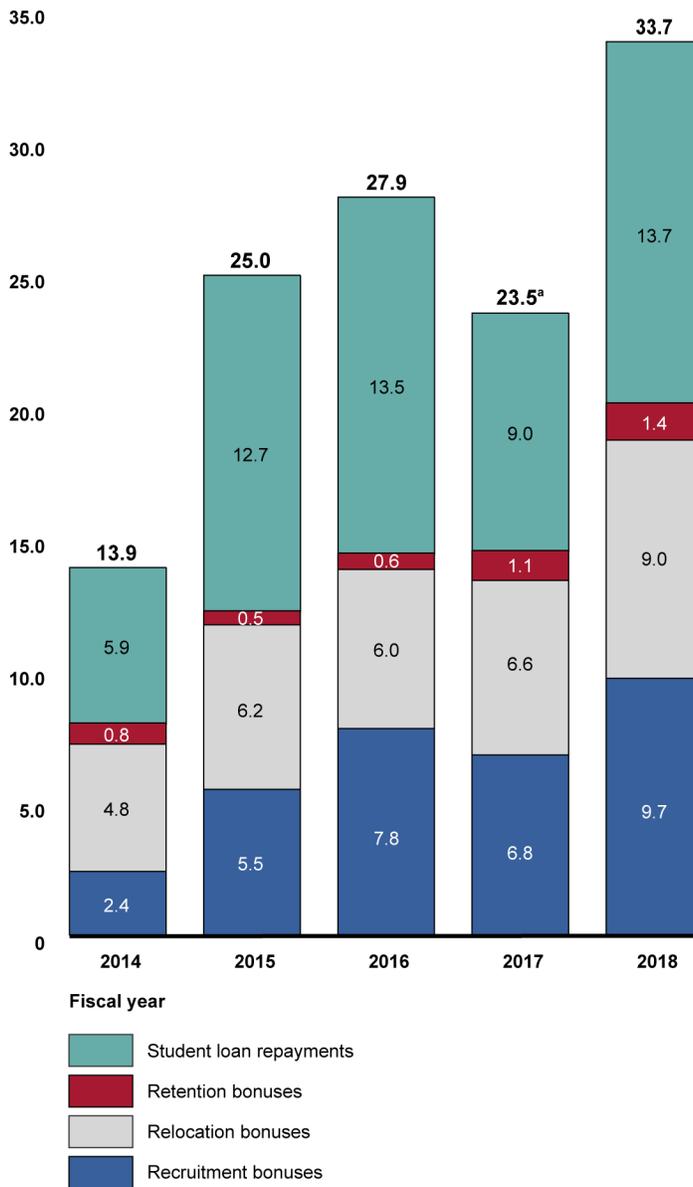
Recruitment and Retention Flexibilities

We found that DOD increased its use of recruitment bonuses, relocation bonuses, retention bonuses, and student loan repayments from \$13.9 million in fiscal year 2014 to \$33.7 million in fiscal year 2018 (see figure 5).³⁶

³⁶Appendix VI provides additional information on DOD's use of recruitment and retention flexibilities by career field.

Figure 5: The Department of Defense (DOD) Increased the Authorized Dollar Amount for Recruitment and Retention Flexibilities for the Civilian Acquisition Workforce from Fiscal Year 2014 to 2018

Dollars (millions)



Source: GAO analysis of Defense Civilian Personnel Data System data. | GAO-19-509

Note: The award amounts authorized for the recruitment and retention flexibilities in a fiscal year may not equal the amount paid in that fiscal year. DOD officials explained that the total amount authorized

in a fiscal year may be paid in installments and not paid to the employee until the subsequent fiscal year.

^aThe decrease in dollars authorized in fiscal year 2017 is largely attributed to a government-wide hiring freeze and significant unplanned mid-year funding reductions in Defense Acquisition Workforce Development Fund dollars.

As part of the increased total amount of funds authorized for recruitment and retention flexibilities, DOD had increased the number of awarded recruitment and retention flexibilities by approximately 140 percent between fiscal years 2014 to 2018 (see table 6).

Table 6: Number of DOD-Awarded Civilian Acquisition Workforce Recruitment and Retention Flexibilities in Fiscal Year 2014 and 2018

	Fiscal year 2014 number of awards	Fiscal year 2018 number of awards	Percent increase in number of awards from fiscal year 2014 to 2018
Student loan repayments	725	1,513	109%
Retention bonuses	63	97	54%
Relocation bonuses	487	701	44%
Recruitment bonuses	282	1,417	402%
Total	1,557	3,728	139%

Source: GAO analysis of Defense Civilian Personnel Data System data. | GAO-19-509

DOD leadership has emphasized the benefits of recruitment and retention flexibilities, which helped increase their use. For example, in DOD’s October 2016 acquisition workforce strategic plan, USD (A&S) stated that the acquisition workforce would increase the use of these flexibilities by leveraging DAWDF. Additionally, in November 2016, USD (A&S) and USD (P&R) held a joint acquisition and human resource summit, which highlighted efforts of an integrated product team established to expand the use recruitment and retention flexibilities. For example, the integrated product team developed a fact sheet to answer frequently asked questions about incentives from human resource specialists and hiring managers within the military departments.

Officials from the commands and DACMs generally agreed that recruitment and retention flexibilities were useful tools in helping them recruit and retain acquisition workforce talent. To receive these monetary incentives, employees must enter into written service agreements to remain with the department for a specific period.

DACM and defense agency officials, however, noted that retention bonuses were the least effective of the monetary recruitment and

retention flexibilities. For example, Defense Contract Management Agency and Air Force officials told us they do not use retention bonuses as widely because they do not view them as effective tools in retaining talent. Defense Contract Management Agency officials explained that most of the personnel who leave their agency for other jobs go to other DOD organizations or federal agencies, and retention bonuses are generally used only for employees who are likely to leave federal service. The Air Force DACM's representatives told us the Air Force decreased its use of DAWDF for retention bonuses as a result of a 2016 RAND Corporation study that found that private sector companies made minimal use of retention bonuses. According to this study, none of the 21 companies in RAND's sample—among Fortune's "100 best companies to work for"—identified retention bonuses as a primary tool to retain talent. Lastly, command and personnel center officials we interviewed also noted that a number of factors outside of monetary recruitment and retention flexibilities influence an employee's decision to join or remain with DOD. These factors include the organization's mission and work-life programs and policies.

Post-Employment Restrictions

DOD military personnel are subject to certain post-employment restrictions that could potentially dissuade them from seeking further employment with the department as civilian personnel, but DACM and command officials told us these restrictions have not significantly affected their ability to recruit new hires. For example, the "180-day rule" prevents DOD from appointing retired military personnel to civil service positions within 180 days of the military person's retirement unless the appointment, which must be in the competitive service, is authorized by the Secretary of Defense or a designee, OPM approves the appointment, and the minimum rate of basic pay has been increased.³⁷ DACM and command officials noted that retired military personnel could elect to work for private sector companies during the 180-day period. However, these officials did not cite post-employment restrictions as a major recruitment challenge for the civilian acquisition workforce and instead cited other challenges, such as limited resources dedicated to recruiting civilian personnel and hiring delays due to the security clearance process.

Removal Authority

DOD does not have specific statutory authority in Title 10, U.S. Code for removing civilian acquisition workforce personnel for unacceptable

³⁷5 U.S.C. § 3326(b).

performance.³⁸ However, DOD's civilian employees are subject to a longer probationary period than other civilian federal employees, and DACM and command officials told us that removing underperforming staff is easier during a probationary period than when staff are permanently employed.³⁹ Officials also noted that staff tend to leave on their own accord if they are not performing well within the department.

DOD Does Not Regularly Monitor Hiring, Recruitment, and Retention Flexibilities or Assess Their Effectiveness

DOD does not regularly monitor its use of hiring, recruitment, and retention flexibilities for its civilian acquisition workforce, and despite ongoing efforts, is not yet able to systematically assess the effectiveness of these flexibilities. HCI, the office responsible for DOD-wide acquisition workforce strategic planning, regularly monitors the overall health of the acquisition workforce, in part by reviewing and reporting statistics on workforce size, workforce gains and losses, and other workforce-related metrics on a quarterly basis. Further, as previously noted, DOD has increased its overall use of human capital flexibilities. However, HCI does not regularly monitor the military departments and defense components' specific use of hiring, recruitment, and retention flexibilities. As a result, HCI is missing opportunities to identify variations in usage rates, and use that information to determine whether there are specific issues or challenges being encountered. For example, we found that the Air Force and Navy used direct hire authorities twice as often as the Army in fiscal year 2018. Further, while DOD leadership has emphasized that using hiring flexibilities improves DOD's ability to recruit and hire high-quality talent in a timely manner, HCI is not yet able to assess how effective the hiring flexibilities have been in achieving these goals. This is because DCPAS has not yet developed a plan to consistently measure how long it takes to hire new personnel across the department. Similarly, DCPAS has not yet established metrics to assess the quality of the new personnel

³⁸The requirements related to removing personnel from the federal workforce, including DOD's civilian acquisition workforce, due to unacceptable performance, including a member of DOD's civilian acquisition workforce, are set forth in chapters 43 and 75 of title 5, United States Code. Specifically, 5 U.S.C. §§ 4302-4303 address removal for unacceptable performance and § 7513 addressed removal for performance or conduct-based reasons. OPM's implementing regulations are found at 5 C.F.R parts 432 and 752, respectively. If personnel are employed through DOD's AcqDemo, these requirements generally apply and are outlined in Department of Defense, *Civilian Acquisition Workforce Personnel Demonstration (AcqDemo) Project; Department of Defense (DoD)*. 82 Fed. Reg. 52104 (Nov. 9, 2017).

³⁹10 U.S.C. § 1599e.

DOD hires. DCPAS has efforts underway to address these issues and plans to start using these metrics in 2019.

HCI Does Not Regularly Monitor Usage of Hiring Flexibilities

DOD policy states HCI should implement strategies and policies to help attract and retain acquisition workforce personnel.⁴⁰ To this end, HCI officials told us they monitor the overall health of the acquisition workforce in various ways, including outreach to the DACMs on workforce challenges, as well as holding knowledge-sharing events, such as a May 2018 acquisition workforce human capital symposium. Additionally, HCI reviews and reports statistics on workforce size, workforce gains and losses, and other workforce-related metrics on a quarterly basis. For example, in its fiscal year 2019 first quarter assessment, HCI reported data on the current size of the acquisition workforce; acquisition workforce education and certification levels; and workforce gains, losses, retirement eligibility and attrition rates, among other things, both on a DOD-wide basis as well as by acquisition career field. HCI officials told us they use these data to identify potential or emerging workforce challenges. HCI officials noted that if they identify any issues, they further analyze data to identify the root cause of the issues.

HCI officials acknowledged, however, that HCI does not regularly collect or review data on the defense components' specific use of hiring, recruitment, and retention flexibilities as part of its quarterly assessments. HCI officials stated that they collect and review hiring flexibilities data on an as-needed basis, such as in preparation for DOD acquisition workforce governance forums, including senior steering board and workforce management group meetings, in which the use of the flexibilities will be on the agenda, or in response to Congressional requests. HCI officials also noted that because the use of hiring, recruitment, and retention flexibilities are made at the command level within the military departments, the military departments are better positioned to regularly monitor usage. However, the military departments are not in a position to identify variations in usage rates across DOD's civilian acquisition workforce, which are significant. For example, we found that the Air Force and the Navy used direct hire authorities for 85 percent and 84 percent of their respective hiring actions in fiscal year 2018, while the Army used direct hire authorities for 42 percent of its hiring actions that year.

⁴⁰DOD, USD (A&S), *DOD Instruction 5000.66: Defense Acquisition Workforce Education, Training, Experience, and Career Development Program* (July 27, 2017).

Similarly, some career fields use the hiring flexibilities at higher rates than others. While hiring flexibilities comprised 95 percent of total civilian acquisition workforce hiring actions in fiscal year 2018, the auditing and purchasing career fields used hiring flexibilities for only 68 percent and 62 percent of their respective hiring actions that year.⁴¹ Without regularly monitoring usage rates for hiring flexibilities across the civilian acquisition workforce, HCI lacks visibility into these types of variations and opportunities to investigate and address them, as appropriate.

Lastly, HCI focuses its efforts on those recruitment and retention flexibilities funded by DAWDF because HCI is responsible for DAWDF's management. Based on DAWDF reports and DCPDS data, we found that the amount of dollars obligated for DAWDF-funded recruitment, retention, and recognition initiatives in 2017 was \$15 million or about two-thirds of the total dollars authorized for the recruitment and retention flexibilities for DOD's civilian acquisition workforce in fiscal year 2017. The remaining amount (about one-third) was funded by other sources, such as the military departments' operations and maintenance appropriations, but is not included as part of HCI's annual review.

Since 2002, we have repeatedly found that agencies should strategically manage their use of human capital flexibilities—including hiring, recruitment, and retention flexibilities—to address human capital challenges.⁴² Additionally, federal internal control standards state that an agency's management should obtain relevant data on a timely basis to effectively monitor activities to achieve objectives.⁴³ Based on these standards, in May 2018, we recommended that DOD's defense laboratories routinely monitor data on its use of hiring authorities.⁴⁴ DOD concurred with our recommendation and planned to determine the appropriate data to be collected and establish routine reporting requirements. Because HCI is not regularly reviewing hiring flexibility usage, it may be similarly missing opportunities to help identify challenges, inconsistencies, or needed improvements in using the flexibilities.

⁴¹Appendixes IV and V provide additional data on the use of various flexibilities by the career fields, military departments, and defense agencies.

⁴²[GAO-03-2](#), [GAO-18-417](#), and [GAO-19-181](#).

⁴³[GAO-14-704G](#).

⁴⁴[GAO-18-417](#).

DOD Cannot Yet Accurately Report on How Long It Takes to Hire New Personnel or the Quality of New Hires

DOD leaders have repeatedly emphasized that hiring flexibilities—particularly direct hire authorities—can help the department hire high-quality talent in a more timely manner. We have previously found that time-to-hire and quality-of-hire are useful metrics that help agencies evaluate their hiring efforts, which can include the use of hiring flexibilities.⁴⁵ To this end, DCPAS collects and reports time-to-hire data to measure DOD's progress in improving hiring practices. For example, according to DCPAS, from fiscal year 2016 through 2018, DOD took an average of 127 days to hire civilian personnel under the traditional hiring method compared to an average of 110 days when using DOD direct hire authorities.⁴⁶ DCPAS also noted variations in time-to-hire across the direct hire authorities, reporting that DOD took anywhere from 77 to 111 days to hire civilian personnel using the 14 DOD direct hire authorities applicable to the civilian acquisition workforce.⁴⁷ For the expedited hiring authority for acquisition positions—the direct hire authority used most frequently to hire civilian acquisition workforce personnel—DCPAS reported an average time-to-hire of 106 days from fiscal year 2016 through 2018.

While these time-to-hire metrics could be helpful in determining which direct hire authorities most effectively expedite the hiring process, HCI officials told us they do not use these metrics to inform management decisions for the civilian acquisition workforce because they are not yet consistently measured. DCPAS officials explained that the military departments and their major commands developed their own approaches for inputting and reporting time-to-hire data based on their individual needs and data systems. HCI and DCPAS officials acknowledged that this resulted in different ways to record and track the data, which in turn prevented meaningful comparisons between the time-to-hire metrics produced by each of the components.

⁴⁵GAO, *Defense Management: DOD Needs to Address Inefficiencies and Implement Reform across Its Defense Agencies and DOD Field Activities*, [GAO-18-592](#) (Washington, D.C.: Sept. 6, 2018); [GAO-18-417](#); and *Federal Hiring: OPM Needs to Improve Management and Oversight of Hiring Authorities*, [GAO-16-521](#) (Washington, D.C.: Aug. 2, 2016).

⁴⁶DCPAS officials stated that other factors, such as delays in the security clearance process, may offset some of the benefits associated when using direct hiring authorities.

⁴⁷DCPAS did not include time-to-hire data for 3 of the 14 DOD direct hire authorities. According to our analysis, DOD made minimal use of these 3 DOD direct hire authorities for the civilian acquisition workforce from fiscal year 2016 through fiscal year 2018.

According to HCI and DCPAS officials, this difference, in part, is attributable to the variation in how DOD personnel input certain data. For example, one human resource specialist may initiate a request for a personnel action—which is generally the starting date for time-to-hire metrics—on the day the hiring manager submits a job description, while another human resource specialist may initiate a request for personnel action after the job announcement has been posted publicly. Moreover, our analysis of DCPAS data for all DOD civilian personnel hires from fiscal year 2014 to 2018 shows that about 36,000 of 420,000 personnel actions, or about 9 percent, were initiated on or after the individuals' start dates, producing a zero or negative time-to-hire figure. DCPAS officials told us they omit these figures when they report time-to-hire metrics. Until time-to-hire metrics are consistently measured DOD-wide, HCI will not be able to use this data to assess which direct hire authorities have most effectively expedited the hiring process, which DOD components have been the most successful in using these authorities, or identify potential issues in using these authorities.

In September 2018, to address inconsistent time-to-hire methodologies across DOD, we recommended that the DOD Chief Management Officer require that all DOD human resource providers adopt consistent time-to-hire measures.⁴⁸ DOD concurred with our recommendation, and in June 2019, DCPAS officials told us they were in the process of developing a plan to implement consistent time-to-hire metrics across the department. DCPAS officials anticipate completing the plan by July 2019 and will start implementation after DOD leadership approves this plan. HCI officials told us that they plan to use the time-to-hire metrics to assess the civilian acquisition workforce's hiring efforts, including the use of flexibilities, when the metrics are comparable.

Similarly, HCI officials told us that they cannot systematically assess quality-of-hire across the civilian acquisition workforce because DCPAS has not developed guidance that outlines how quality-of-hire should be measured. DOD's June 2018 civilian human capital operating plan outlines an initiative to improve the quality of civilian hires, among other things.⁴⁹ As part of this initiative, DCPAS is to establish quality-of-hire

⁴⁸GAO-18-592.

⁴⁹DOD, Deputy Assistant Secretary of Defense for Civilian Personnel Policy, *Fiscal Year 2018 - Fiscal Year 2019 Department of Defense Civilian Human Capital Operating Plan* (June 2018).

metrics using data collected from an OPM hiring satisfaction survey tool. Using the OPM survey, DOD's hiring managers are to rate the performance of new employees 6 months after they are hired. DCPAS officials stated that various DOD components have used the survey since 2011, but acknowledged hiring managers completed the survey for only 1 percent of all DOD hires in fiscal year 2018. In March 2019, USD (P&R) leadership issued a memorandum to DOD human capital offices encouraging wider implementation of the survey, including outlining roles and responsibilities and milestones for implementation. Starting in fiscal year 2020, USD (P&R) plans to set quality-of-hire goals using the fiscal year 2019 survey results and incorporating these into future civilian human capital operating plans. HCI officials told us that they plan to use the quality-of-hire metrics to evaluate the civilian acquisition workforce's hiring efforts, including the use of flexibilities, once DCPAS completes its efforts.

Conclusions

Congress has provided DOD with a number of hiring, recruitment, and retention flexibilities to help the department manage its acquisition workforce. DOD leadership has encouraged the use of these flexibilities across the department in recent years, and usage has increased significantly since 2014. However, HCI does not regularly monitor defense components' use of hiring, recruitment, and retention flexibilities for their civilian acquisition workforce to identify challenges, inconsistencies, or needed improvements in using these tools. As a result, HCI may be missing opportunities to develop strategies or inform efforts aimed at improving the usage of these flexibilities.

Recommendation for Executive Action

The Secretary of Defense should ensure that the Director of Human Capital Initiatives regularly monitors usage of hiring, recruitment, and retention flexibilities for the civilian acquisition workforce—across the military departments and acquisition career fields—to help develop strategies or inform efforts aimed at improving the usage of these flexibilities. (Recommendation 1)

Agency Comments

We provided a draft of this report to DOD for review and comment. DOD provided written comments, which are reprinted in appendix VII, and concurred with our recommendation. In concurring with our recommendation, DOD stated it would provide guidance to DOD components to monitor usage of flexibilities and provide the results to HCI at least annually.

We are sending copies of this report to the appropriate congressional committees; the Secretary of Defense; the Secretaries of the Army, the Air Force, and the Navy; the Under Secretary of Defense for Acquisition and Sustainment; the Under Secretary of Defense for Personnel and Readiness; the Director of the Defense Civilian Personnel Advisory Service, and the Director of Human Capital Initiatives. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-4841 or dinapolit@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix VIII.



Timothy J. DiNapoli
Director, Contracting and National Security Acquisitions

List of Committees

The Honorable James M. Inhofe
Chairman
The Honorable Jack Reed
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Richard Shelby
Chairman
The Honorable Dick Durbin
Ranking Member
Subcommittee on Defense
Committee on Appropriations
United States Senate

The Honorable Adam Smith
Chairman
The Honorable Mac Thornberry
Ranking Member
Committee on Armed Services
House of Representatives

The Honorable Pete Visclosky
Chairman
The Honorable Ken Calvert
Ranking Member
Subcommittee on Defense
Committee on Appropriations
House of Representatives

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Sections of Title 5 of the U.S. Code include, among other things, requirements that agencies must follow to hire personnel, such as those associated with the competitive examining hiring authority. Competitive examining has been the traditional method of hiring for the federal government since 1978.¹ The traditional hiring method requires agencies to notify the public that the government will accept applications for a job; screen applications against minimum qualification standards; apply selection priorities such as veterans' preference, where applicable; and assess applicants' relative competencies or knowledge, skills, and abilities against job-related criteria to identify the most qualified applicants.

Hiring flexibilities were established beyond the traditional hiring method to expedite the hiring process and achieve certain public policy goals. We identified 46 hiring flexibilities available to the Department of Defense's (DOD) civilian acquisition workforce as of September 2018—3 specific to the DOD acquisition workforce; 6 specific to DOD's Civilian Acquisition Workforce Personnel Demonstration Project; 20 available DOD-wide, including its acquisition workforce; and 17 available government-wide. Further, of the 46 hiring flexibilities, 14 are DOD direct hire authorities provided in statute that we have identified as being directly applicable to the DOD civilian acquisition workforce—3 of which are specific to the DOD acquisition workforce and 11 of which are available DOD-wide. Tables 7 through 10 provide additional information on each of the 46 hiring flexibilities and denote the 14 DOD direct hire authorities and their legal authorities.

¹The federal government consists of three types of services: the competitive service, the excepted service, and the Senior Executive Service. The competitive service consists of all civil service positions in the executive branch of the federal government with some exceptions. The exceptions are defined in section 2102(a) of Title 5, United States Code. In the competitive service, an individual generally must go through a competitive process (i.e., competitive examining) which is open to all applicants. Appointments to the excepted service are civil service appointments within the federal government that do not confer competitive status. There are a number of ways to be appointed to the excepted service such as through the Veterans Recruitment Appointment or the Pathways Programs. The Senior Executive Service includes most managerial, supervisory, and policy positions classified above General Schedule grade 15 or equivalent positions.

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Table 7: Key Hiring Flexibilities Specific to the Department of Defense's (DOD) Acquisition Workforce (3)

Hiring flexibility	Year current requirements were established^a	Description
Expedited Hiring Authority for Certain Defense Acquisition Workforce Positions ^b	2008	The Secretary of Defense may designate any category of positions in the acquisition workforce as positions for which there exists a shortage of candidates or there is a critical hiring need; and use the authorities in sections 3304, 5333, and 5753 of Title 5, U.S. Code to recruit and appoint qualified persons directly to positions so designated. 10 U.S.C. § 1705(f)
Direct Hire Authority (DHA) for Select Technical Acquisition Experts ^b	2015	Each Secretary of a military department may generally appoint a limited number of full-time, qualified candidates possessing a scientific or engineering degree to scientific and engineering positions within the defense acquisition workforce for that military department, without regard to the provisions of subchapter I of chapter 33 of Title 5, U.S. Code. 10 U.S.C. § 1701 note
DHA for Select Veteran Technical Experts ^b	2015	The Secretary of Defense may carry out a pilot program to assess the feasibility and advisability of appointing a limited number of qualified veteran candidates to scientific, technical, engineering, and mathematics positions, including technicians, within the defense acquisition workforce of the military departments without regard to the provisions of subchapter I of chapter 33 of Title 5, United States Code. 10 U.S.C. § 1701 note

Source: GAO analysis of laws and regulations. | GAO-19-509

^aThe year current requirements were established represents the date of the source which contains each hiring flexibility's current requirements, including, for example, (1) the date a statute was enacted; (2) the date a statute was amended; or (3) the date in a federal register notice which implemented a flexibility where its requirements were not specifically included in statute.

^bThese hiring flexibilities are DOD direct hire authorities provided in statute.

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Table 8: Key Hiring Flexibilities the Department of Defense (DOD) Can Use to Hire Personnel into the Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo) (6)

Hiring flexibility	Year current requirements were established ^a	Description
AcqDemo Acquisition Student Intern Appointment	2017	<p>Heads of organizations participating in AcqDemo, without regard to the provisions in subchapter I of Chapter 33 of Title 5, U.S. Code (except sections 3303 and 3328 in the title), may appoint candidates enrolled in a program of undergraduate or graduate instruction at an institution of higher education leading to either:</p> <p>(1) A baccalaureate degree in a course of study required by OPM or DOD qualification standards for an acquisition position in a critical acquisition career field; or</p> <p>(2) A degree, when completed, provides competencies, knowledge, and skills directly linked to an acquisition position's requirements for one of the critical acquisition career fields.</p>
AcqDemo Direct Hire Appointments for the Business and Technical Management Professional Career Path	2017	<p>The head of an organization participating in AcqDemo may appoint qualified candidates who possess at least a baccalaureate degree or DOD qualification standards covering acquisition positions, or those positions involving 51 percent or more of time in direct support of acquisition positions, in a critical acquisition career field in the Business and Technical Management Professional career path, without regard to the provisions in subchapter I of Chapter 33 of Title 5, U.S. Code (except sections 3303, 3308 and 3328 in the Title).</p>
AcqDemo Scholastic Achievement Appointment	2017	<p>Heads of organizations participating in AcqDemo provide the authority to appoint candidates with degrees to acquisition positions with positive education requirements without regard to the provisions in subchapter I of Chapter 33 of Title 5, U.S. Code (except sections 3303 and 3328 in the title). This authority allows for competitive appointment to acquisition positions classified to certain broadband levels of the Business and Technical Management Professional career path. Candidates may also be appointed under this procedure if:</p> <p>(1) they have at least a baccalaureate required by OPM or DOD qualification standards, or the equivalent;</p> <p>(2) the candidate has at least a cumulative grade point average of 3.25 on a 4.00 scale in certain courses of study;</p> <p>(3) the appointment is into a permanent or term position at a pay level within certain broadband level basic pay range.</p>
AcqDemo Simplified Hiring Processes	2017	<p>Enables organizations participating in AcqDemo to expedite the hiring and appointment of qualified persons to acquisition positions in any of the 14 acquisition career fields using the following approaches:</p> <p>(1) a name request may be submitted to expedite the hiring of a qualified candidate identified by a participating organization's targeted recruitment actions;</p> <p>(2) a certificate of eligible persons may be developed from qualified applicants to a vacancy announcement who have been evaluated or rated using certain assessments; or</p> <p>(3) establish a streamlined AcqDemo delegated examining-category rating process to be used to fill both acquisition positions and those in direct support of acquisition positions covered by AcqDemo.</p>

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Hiring flexibility	Year current requirements were established^a	Description
AcqDemo Veteran Direct Hire Appointments for the Business Management and Technical Management Professional and Technical Management Support Career Paths	2017	The head of an organization participating in AcqDemo may appoint qualified veteran candidates to acquisition positions in a critical acquisition career field, and to those positions involving 51 percent or more of time in direct support of an acquisition position, classified under Business and Technical Management Professional career path, or to the Technical Management Support career path, without regard to the provisions in subchapter I of Chapter 33 of Title 5, U.S. Code (except sections 3303 and 3328 in the title).
AcqDemo Voluntary Emeritus Program	2017	Heads of organizations participating in AcqDemo have the authority to offer voluntary assignments and to accept the gratuitous services of: (1) AcqDemo retired or separated civilian employees who served in certain positions before retirement; (2) Non-AcqDemo DOD retired or separated civilian employees and former military members who worked certain positions.

Source: GAO analysis of laws and regulations. | GAO-19-509

Note: DOD's authority was codified in 10 U.S.C. §1762 and was consolidated, modified, and republished in the Federal Register, 82 Fed. Reg. 52,104 (Nov. 9, 2017).

^aThe year current requirements were established represents the date of the source which contains each hiring flexibility's current requirements, including, for example, (1) the date a statute was enacted; (2) the date a statute was amended; or (3) the date in a federal register notice which implemented a flexibility where its requirements were not specifically included in statute.

Table 9: Key Hiring Flexibilities Available Department of Defense (DOD)-Wide including DOD's Civilian Acquisition Workforce (20)

Hiring flexibility	Year current requirements were established^a	Description
Attracting Highly Qualified Experts	2003	The Secretary of Defense may carry out a program to (1) appoint personnel from outside the civil service and uniformed services to positions in DOD without regard to any provision of Title 5 governing the appointment of employees to positions in DOD, (2) prescribe the rates of basic pay for positions to which these employees are appointed, and (3) pay these employees payments in addition to basic pay within certain prescribed limits in order to attract highly qualified experts in needed occupations, as determined by the Secretary.
Civilian Intelligence Personnel: General Authority to Establish Excepted Positions, Appoint Personnel, and Fix Rates of Pay	1996	The Secretary of Defense may: (1) establish, as positions in the excepted service, defense intelligence positions in the DOD as the Secretary determines necessary to carry out DOD's intelligence functions, including Intelligence Senior Level and Defense Intelligence Senior Executive Service positions; (2) appoint individuals to those positions; (3) and fix the individuals' compensation for service in those positions, without regard to the provisions of any other law relating to the appointment, number, classification, or compensation of employees.

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Hiring flexibility	Year current requirements were established^a	Description
DHA for Cyber Workforce Positions ^b	2016	Pending completion of an implementation plan for U.S. Cyber Command workforce positions, the Secretary of Defense approves direct hire authority for cyber workforce positions up to the Government Grade or General Schedule-15 level in accordance with the criteria in section 3304 of Title 5, U.S.C. Pub. L. No. 114-328, § 1643 (2016)
DHA for Post-Secondary Students and Recent Graduates ^b	2016	The Secretary of Defense may recruit and appoint a limited number of qualified recent graduates and current post-secondary students to competitive service positions in professional and administrative occupations within DOD, without regard to sections 3309 through 3318, 3327, and 3330 of Title 5, U.S.C. 10 U.S.C. § 1580 note prec.
DHA for Financial Management Experts ^b	2016	The Secretary of Defense and the Secretary of each military department may appoint a limited number, per calendar year, of qualified candidates possessing a finance, accounting, management, actuarial science degree, or a related degree or equivalent experience, to certain specified positions within the DOD workforce, including in the Office of the Secretary of Defense, a Defense Agency, the Office of the Chairman of the Joint Chiefs of Staff, the Joint Staff, a combatant command, the DOD Office of the Inspector General, a Field Activity, the Army, Navy, and Air Force, without regard to the provisions of subchapter I of chapter 33 of Title 5, U.S.C. 10 U.S.C. § 1580 note prec.
DHA for Defense Laboratory Science, Technology, Engineering, and Mathematics (STEM) Bachelor's Degrees ^b	2013	The director of any Science and Technology Reinvention Laboratory (STRL) may appoint qualified candidates possessing a bachelor's degree to scientific and engineering positions in certain DOD STRLs as employees, without regard to the provisions of subchapter I of chapter 33 of title 5 (other than sections 3303 and 3328 of this title). 10 U.S.C. § 2358a (a)(1)
DHA for Defense Laboratory STEM Advanced Degrees ^b	2011 ^c	The Secretary of Defense may appoint a limited number of qualified candidates possessing an advanced degree to scientific and engineering positions within certain DOD STRLs as employees, without regard to the provisions of subchapter I of chapter 33 of Title 5, U. S.C., (other than sections 3303 and 3328 of this title). 10 U.S.C. § 1580 note prec.
DHA for Business Transformation and Management Innovation ^b	2017	The Secretary of Defense may appoint a specified limited number of individuals on a term basis with management or business background; experience working with large or complex organizations; and expertise in management and organizational change, data analytics, or business process design, without regard to the provisions of subchapter I of chapter 33 of Title 5, U.S.C., to assist and facilitate DOD's efforts in business transformation and management innovation. 10 U.S.C. § 1580 note prec.

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Hiring flexibility	Year current requirements were established ^a	Description
DHA for Defense Laboratory STEM Students ^b	2014	<p>The director of any STRL may appoint qualified candidates enrolled in a program of undergraduate or graduate instruction leading to a bachelor's or an advanced degree in a scientific, technical, engineering or mathematical course of study at an institution of higher education to scientific and engineering positions as temporary or term employees in certain STRLs, without regard to the provisions of subchapter I of chapter 33 of Title 5, U.S. Code (other than sections 3303 and 3328 of this title).</p> <p>With respect to any student appointed by the director of an STRL to a temporary or term appointment, upon graduation from the institution of higher education, the director may noncompetitively convert the student to another temporary appointment or to a term or permanent appointment within the STRL without regard to the provisions of subchapter I of chapter 33 of Title 5 (other than sections 3303 and 3328 of such title), if the student meets all eligibility and OPM qualification requirements for the position. 10 U.S.C. § 2358a (a)(3)</p>
DHA for Defense Laboratory STEM Veterans ^b	2013	<p>The director of any STRL may appoint a limited number of qualified veteran candidates to scientific, engineering, mathematical, and technical positions as employees in certain DOD STRLs or other DOD research and engineering agencies or organizations designated by the Secretary of Defense, without regard to the provisions in subchapter I of Chapter 33 of Title 5, U.S. Code. 10 U.S.C. § 2358a (a)(2)</p>
DOD Information Assurance Scholarship Program	2012	<p>To encourage the recruitment and retention of DOD personnel who have the computer and network security skills necessary to meet the cyber requirements of the DOD, the Secretary of Defense may carry out programs to provide financial support for education in disciplines relevant to those requirements at institutions of higher education, including: (1) scholarships for pursuit of programs of education in cyber disciplines at institutions of higher education; and (2) grants to institutions of higher education to provide financial support for education in disciplines relevant to those requirements at institutions of higher education.</p>
Extensions of Term Appointments in the Competitive Service in the DOD	2016	<p>The Secretary of Defense may make a temporary appointment (an employee in the competitive service for no longer than 1 year) or a term appointment (an employee in the competitive service for more than 1 year and up to 5 years), which can be extended, in the Department when the need for the employee's services is not permanent.</p>
Flexibilities Relating to Appointments	2009	<p>The Secretary, in coordination with the Director of OPM, must promulgate regulations to redesign the procedures which are applied by DOD in making appointments to positions within the competitive service. In redesigning the procedures, the Secretary, in coordination with the Director of OPM, may waive the requirements of chapter 33 of Title 5, U.S.C., and the regulations implementing this chapter, to the extent necessary to achieve the objectives of section 9902, such as redesigning the procedures which are applied by DOD in making appointments to positions within the competitive service to better meet mission needs; and respond to managers' needs and the needs of applicants; and promote competitive job offers.</p>

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Hiring flexibility	Year current requirements were established ^a	Description
Personnel Management Authority to Attract Experts in Science and Engineering	2016	<p>DOD was provided authority to carry out a program of personnel management authority to recruit eminent experts in science or engineering for a limited period, which was renewable, without regard to any provision of Title 5 governing the appointment of employees in the civil service as follows:</p> <p>For specified laboratories of the military departments the Secretary of Defense shall designate for the program's purpose for the laboratories' research and development projects; may appoint scientists and engineers to a total of up to 40 scientific and engineering positions in the laboratories.</p> <p>For Defense Advanced Research Projects Agency, the Director of the Defense Advanced Research Projects Agency may appoint individuals to a total of not more than 100 positions in the Agency, of which up to 5 of these positions may be positions of administration or management of the Agency.</p> <p>For the Office of Operational Test and Evaluation, the Director of the Office of Operational Test and Evaluation may appoint scientists and engineers to a total of up to 10 scientific and engineering positions in the Office.</p> <p>For the Strategic Capabilities Office, the Director of the Strategic Capabilities Office may appoint scientists and engineers to a total of up to 5 scientific and engineering positions in the Office</p> <p>For the Defense Innovation Unit Experimental, the Director of the Defense Innovation Unit Experimental may appoint scientists and engineers to a total of up to 5 scientific and engineering positions in the Unit.</p>
Pilot Program on Enhanced Personnel Management System for Cybersecurity and Legal Professionals in the Department of Defense	2017	<p>The Secretary of Defense is required to carry out a pilot program to assess the feasibility and advisability of an enhanced personnel management system for civilian DOD cybersecurity professionals and DOD legal professionals who enter civilian service with DOD on or after January 1, 2020. The Secretary of Defense, with respect to the Defense Agencies, and the Secretary of the military department concerned, with respect to the military departments, may appoint qualified candidates on a direct-hire basis for an initial appointment to service with DOD for a term of 2 to 8 years, which are renewable, without regard to the provisions of subchapter I of chapter 33 of Title 5, U.S.C. The pilot program is required to provide for the professional development of individuals serving as cybersecurity and legal professionals by creating opportunities for education, training, and career-broadening experiences, among other things.</p>
Science, Mathematics, and Research for Transformation Defense Education Program	2006	<p>The Secretary of Defense is required to carry out a program to provide financial assistance (a scholarship or fellowship) to a student who enters into a service agreement with the Secretary of Defense and is pursuing an associate degree, undergraduate degree, or advanced degree in science, mathematics, engineering, and technology skills and disciplines that, as determined by the Secretary, are critical to the national security functions of the Department of Defense and are needed in the Department of Defense workforce.</p>

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Hiring flexibility	Year current requirements were established^a	Description
DHA for Senior Scientific Technical Managers at Research and Engineering Facilities ^b	2013	Senior scientific managers are classified above General Schedule (GS)–15, but are not Senior Executive Service positions, notwithstanding section 5108(a) of Title 5, U.S.C. This authority established in each STRL, each facility of the Major Range and Test Facility Base, and the Defense Test Resource Management Center a category of senior professional scientific and technical positions, the incumbents of which are called “senior scientific technical managers.” These laboratory positions may be filled by the director of an STRL for a position in an STRL and the director of the Major Range and Test Facility Base, in the case of a position at a facility of the Major Range and Test Facility Base under criteria established pursuant to 10 U.S.C. § 2358a (d).
Temporary and Term Appointments in the Competitive Service in DOD	2016	If there is a critical hiring need, the Secretary of Defense may make a noncompetitive temporary appointment (an employee in the competitive service for not more than 1 year) or a noncompetitive term appointment (generally, an employee in the competitive service for more than 1 year and up to 5 years) in DOD, which cannot be extended, without regard to the requirements of sections 3327 and 3330 of Title 5, U.S.C., for not more than 18 months.
DHA for the Director of Operational Test and Evaluation ^b	2016	During fiscal years 2017 through 2021, the Secretary of Defense may, acting through the Director of Operational Test and Evaluation, appoint qualified candidates with advanced degrees to scientific and engineering positions within the Office of the Director of Operational Test and Evaluation, without regard to the provisions of subchapter I of chapter 33 of Title 5, U.S.C. (other than sections 3303 and 3328 of this title). 10 U.S.C. § 1580 note prec.
DHA for Defense Industrial Base and Major Range and Test Facilities Base ^b	2016	The Secretary of Defense may appoint, during each of fiscal years 2017 through 2021, qualified candidates to positions in the competitive service at any defense industrial base facility or the Major Range and Test Facilities Base, without regard to the provisions of subchapter I of chapter 33 of Title 5, U.S.C. (other than sections 3303 and 3328 of this title). 10 U.S.C. § 1580 note prec.

Source: GAO analysis of laws and regulations. | GAO-19-509

^aThe year current requirements were established represents the date of the source which contains each hiring flexibility’s current requirements, including, for example, (1) the date a statute was enacted; (2) the date a statute was amended; or (3) the date in a federal register notice which implemented a flexibility where its requirements were not specifically included in statute.

^bThese hiring flexibilities are DOD direct hire authorities provided in statute.

^cStatute, as amended with clarifications and corrections.

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Table 10: Key Government-Wide Hiring Flexibilities (17)

Hiring flexibility	Year current requirements were established ^a	Description
30 Percent or More Disabled Veterans ^b	1978	Under regulations that OPM must prescribe, an agency may make a noncompetitive appointment leading to conversion to career or career-conditional employment of a disabled veteran who has a compensable service-connected disability of 30 percent or more.
DHA for Acquisitions	2018	<p>Agencies may appoint candidates directly to positions without regard to the requirements in 5 U.S.C. §§ 3309 through 3318 where public notice has been given and OPM determined that there is either a severe shortage of candidates or a critical hiring need.</p> <p>Pursuant to this authority, OPM approved the use of a DHA for Scientific, Technical, Engineering and Mathematics positions at the GS-11 through GS-15 grade levels (or equivalent)—including acquisition positions in occupational series 1102—nationwide for enabling simple and strategic hiring to attract top talent to create a workforce for the 21st century where a severe-shortage or critical hiring need has been identified.</p>
DHA for Information Technology Management	2003	<p>The President may prescribe rules which must provide for, among other things, authority for agencies to appoint, without regard to sections 3309 - 3318, Title 5, U.S.C., candidates directly to positions for which public notice has been given, and OPM has determined that a severe shortage of candidates exists or that there is a critical hiring need.</p> <p>Pursuant to this authority, the OPM has approved the use of direct hire authority for positions in Information Technology Management (Information Security). Agencies may use this authority to appoint individuals to these positions at GS-9 and above, at all locations, in support of government-wide efforts to carry out the requirements of the Government Information Security Reform Act and the Federal Information Security Management Act.</p>
DHA for Positions Involved in Iraqi Reconstruction Efforts	2003	<p>The President may prescribe rules which must provide for authority for agencies to appoint, without regard to the provision of sections 3309 through 3318, Title 5, U.S.C., candidates directly to positions for which public notice has been given, and OPM has determined that a severe shortage of candidates exists or that there is a critical hiring need.</p> <p>Pursuant to this authority, OPM approved the use of direct hire authority for positions involved in Iraqi Reconstruction Efforts that require fluency in Arabic or other related Middle Eastern languages at all Wage Grade levels, single-grade interval occupations in the GS, and two-grade interval GS occupations at GS-9 and above. Agencies may appoint U.S. citizens to positions at all locations.</p>
Employment of Experts and Consultants; Temporary or Intermittent	1992	When authorized by an appropriation or other statute, the head of an agency may procure through a contract the temporary (not in excess of 1 year) or intermittent services of experts or consultants, among others, without regard to the provisions of title 5 governing appointment in the competitive service; chapter 51 and subchapter III of chapter 53 of Title 5; and section 6101(b) to (d) of Title 41, with certain exceptions.

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Hiring flexibility	Year current requirements were established^a	Description
Noncompetitive Appointment of Certain Former Overseas Employees	2012	An executive agency may noncompetitively appoint to a competitive service position in the executive branch within the United States, a family member (child, spouse, or partner) who (1) accompanied a sponsor (a federal civilian employee, a non-appropriated fund employee, or a member of a uniformed service) while the sponsor served overseas; and (2) completed 52 weeks of satisfactory creditable overseas service while the family member accompanied the sponsor. The family member is generally eligible for the appointment 3 years after returning from overseas to the United States to resume residency.
Noncompetitive Appointment of Certain Military Spouses	2011	An executive agency may appoint noncompetitively to a position in the competitive service (1) a spouse of an Armed Forces member serving on active duty who has orders specifying a permanent change of station; (2) a spouse of a 100 percent disabled, retired, or separated Armed Forces member injured while on active duty; or (3) the un-remarried widow or widower of an Armed Forces member who was killed while performing active duty.
Pathways Programs: Internship Program, Recent Graduate Program, and Presidential Management Fellows Program	2012	The Pathways Programs authorized under Executive Order 13562, consist of the (1) Internship Program, which provides students in high schools, colleges, trades schools, and other qualifying educational institutions the opportunity to explore federal careers as paid employees while completing their education; (2) Recent Graduate Program, which provides entry-level developmental experience designed to lead a civil service career in the federal government after successfully completing 1 year under the program; and (3) Presidential Management Fellows Program, which is a development program that appoints (at the GS-9, GS-11, or GS-12 level in the excepted service) individuals who, in the previous two years, completed an advance degree from a qualifying educational institution.
Schedule A for Persons with Disabilities and the Workforce Recruitment Program	1982	Agencies may appoint, on a permanent, time-limited, or temporary basis, a person with an intellectual disability, a severe physical disability, or a psychiatric disability. An agency may noncompetitively convert to the competitive service an employee who has completed 2 years of satisfactory service under this authority.
Schedule A Hiring Authority for Fellowship and Similar Appointments in the Excepted Service	1997	Agencies may establish positions in the excepted service not to exceed 4 years in support of fellowship and similar programs that are filled from limited applicant pools and operate under specific criteria developed by the employing agency, a non-federal organization, or both. These programs may include: internship or fellowship programs that provide development or professional experiences to individuals who have completed their formal education; and training and associateship programs designed to increase the pool of qualified candidates in a particular occupational specialty, among others.
Schedule C (Political Appointees)	1995	Upon specific OPM authorization, agencies may make appointments to positions which are policy-determining or which involve a close and confidential working relationship with the head of an agency or other key appointed officials. Positions filled under this authority are excepted from the competitive service and constitute Schedule C.

**Appendix I: Key Hiring Flexibilities Available to
the Department of Defense's Civilian
Acquisition Workforce**

Hiring flexibility	Year current requirements were established^a	Description
Scientific and Professional Positions	1995	The Director of OPM or an agency using standards and procedures prescribed by OPM may establish a limited number of non-SES positions for specially qualified scientific and professional personnel for carrying out research and development functions classified above the GS-15 level in the competitive service. However, appointments to positions may be made without competitive examination when OPM approves the qualifications of the proposed appointee based on standards developed by the agency involved in accordance with criteria in OPM's regulations.
Senior Level Positions	1995	The Director of the OPM may, for any executive agency, establish a limited number of non-SES Senior Level positions which may be classified above the GS-15 level that are generally in the competitive service; the Director may publish standards and procedures (including requiring agencies, when necessary, to obtain the prior approval of the Office) for classifying these positions above the GS-15 level.
Special Selection Procedures for Certain Veterans under Merit Promotion ^b	2000	An agency may appoint a preference-eligible-veteran or a veteran who has substantially completed at least 3 years of continuous active military service if (1) the veteran was selected from among the best qualified following a competition under a merit promotion announcement open to candidates outside the agency's own workforce; and (2) the veteran's most recent separation from the military was under honorable discharge. Those veterans selected will be given career or career conditional appointments.
Temporary Assignments under the Intergovernmental Personnel Act	2006	Authorizes the temporary assignment of certain employees between the federal government and state, local and Indian tribal governments, institutions of higher education and other eligible organizations, for up to 2 years, which may be extended.
Transfers within Government	1995	Subject to 5 C.F.R. part 335, an agency may appoint by transfer to a competitive service position, without a break in service of a single workday, a current career or career-conditional employee of another agency.
Veterans Recruitment Appointment ^b	2005	To further the policy to promote the maximum of employment and job advancement opportunities within the federal government for qualified covered veterans, veterans must be eligible for non-competitive veterans recruitment appointments for up to and including the GS-11 level positions without regard to the number of years of education completed, and for subsequent career-conditional appointments, under the terms and conditions specified in Executive Order 11521, with certain exceptions.

Source: GAO analysis of laws and regulations. | GAO-19-509

^aThe year current requirements were established represents the date of the source which contains each hiring flexibility's current requirements, including, for example, (1) the date a statute was enacted; (2) the date a statute was amended; or (3) the date in a federal register notice which implemented a flexibility where its requirements were not specifically included in statute.

^bThese hiring flexibilities are veteran-related hiring authorities.

Appendix II: Key Recruitment and Retention Flexibilities Available to the Department of Defense's Civilian Acquisition Workforce

Recruitment and retention flexibilities assist federal agencies in attracting and retaining employees who possess unusually high or unique qualifications, or who fill essential needs for the agencies. Additionally, they allow agencies more control over compensation and are intended to help government compete with the private sector. We identified nine recruitment and retention flexibilities available to the Department of Defense's (DOD) civilian acquisition workforce as of fiscal year 2018—four monetary incentives and five work-life balance policies and programs (see tables 11 and 12).

Table 11: Key Monetary Incentives Available to the Department of Defense's (DOD) Civilian Acquisition Workforce

Flexibility	Description
Recruitment bonus	The Office of Personnel Management (OPM) may authorize the head of an agency to pay a bonus to an individual only if the position to which the individual is appointed is as a new employee of the federal government and the agency determines that the position would be difficult to fill in the absence of an incentive.
Relocation bonus	OPM may authorize the head of an agency to pay a bonus to an individual only if the position to which the individual moves or must relocate and is likely to be difficult to fill in the absence of this bonus, and the individual is currently employed by the Federal Government and moves to a new position in the same geographic area under circumstances described in OPM regulations or must relocate to accept a position in a different geographic area.
Retention bonus	<p>OPM may authorize the head of an agency to pay a retention bonus to an employee if (1) the unusually high or unique qualifications of the employee, or a special need of the agency for the employee's services, makes it essential to retain the employee; and (2) the agency determines that, in the absence of a retention bonus, the employee would be likely to leave the Federal service or likely leave for a different position in the Federal service. A retention bonus generally must be stated as a percentage of the employee's basic pay for the service period associated with the bonus, may not exceed 25 percent of the employee's basic pay.</p> <p>OPM may also authorize the head of an agency to pay retention bonuses to a group of employees in one or more categories of positions in one or more geographic areas if (1) the unusually high or unique qualifications of the employees, or a special need of the agency for the employees' services, makes it essential to retain the employees; and (2) there is a high risk that a significant portion of employees in the group would be likely to leave in the absence of retention bonuses.</p>
Student loan repayment program	<p>The head of an agency may, to recruit or retain highly qualified personnel, establish a program under which the agency may agree to repay (by direct payments on the employee's behalf) any student loan the employee (a job candidate to whom an offer has been made or a current employee) has previously taken out. The payments must be made subject to the terms, limitations, or conditions to which agency and employee mutually agree in a service agreement, except that the amount the agency pays may not exceed \$10,000 for any employee in any calendar year or a total of \$60,000 for any employee.</p> <p>An employee selected to receive benefits must agree in writing, before receiving any benefit, that the employee will remain in the agency's service for a period specified in the agreement (not less than 3 years), unless involuntarily separated; and if separated involuntarily due to misconduct, or voluntarily, before the end of the period specified in the agreement, repay to the government the amount of the benefits received from that agency.</p>

Source: GAO analysis of OPM and DOD information, relevant laws, and regulations. | GAO-19-509

**Appendix II: Key Recruitment and Retention
Flexibilities Available to the Department of
Defense's Civilian Acquisition Workforce**

Table 12: Key Work-Life Balance Policies and Programs Available to the Department of Defense's (DOD) Civilian Acquisition Workforce

Flexibility	Description
Child care centers for lower income employees	In accordance with OPM regulations, an executive agency that provides or proposes to provide child care services for federal employees may use appropriated amounts that are otherwise available for salaries and expenses to provide child care in a federal or leased facility, or through contract, for civilian employees of the agency. Amounts used for this purpose must be applied to improve the affordability of child care for lower income federal employees using or seeking to use the child care services.
Drug and alcohol abuse programs	OPM is responsible for developing and maintaining, in cooperation with the Secretary of the Department of Health and Human Services and with other agencies, appropriate prevention, treatment, and rehabilitation programs and services for federal civilian employees with alcohol and drug abuse problems. To the extent feasible, agencies are encouraged to extend services to families (including domestic partners and their children) of alcohol and/or drug abusing employees and to employees who have family members (including domestic partners and their children) who have alcohol and/or drug problems. These programs and services should make optimal use of existing government facilities, services, and skills.
Federal transit subsidy	Federal agencies must implement a transportation fringe benefit program that offers qualified federal employees the option to exclude from taxable wages and compensation, employee commuting costs incurred through the use of mass transportation and vanpools, not to exceed the maximum level provided by law. Federal agencies are also encouraged to use any non-monetary incentives that they may offer under any other provision of law or other authority to encourage mass transportation and vanpool use.
Flexible or compressed work schedule	A flexible work schedule allows an employee to complete a schedule which includes designated hours and days during which an employee must be present for work within the limits set by the agency. A compressed work schedule is a fixed schedule in which full-time employees complete the 80-hour biweekly work requirement in less than 10 workdays. Notwithstanding the requirements in 5 U.S.C. § 6101, each agency may establish programs which (1) use a 4-day workweek or other compressed schedule; and (2) allow the use of flexible schedules. Flexible schedules include (1) designated hours and days during which an employee on a schedule must be present for work; and (2) designated hours during which an employee on this schedule may elect the time of the employee's arrival at and departure from work, solely for this purpose or, if and to the extent permitted, for the purpose of accumulating credit hours to reduce the length of the workweek or another workday. When the head of an agency establishes a flexible or compressed work schedule, he or she shall establish a basic work requirement for each employee as defined in 5 U.S.C. § 6121.
Teleworking	<p>Telework is a work arrangement that allows an employee to perform work, during any part of regular, paid hours, at an approved alternative worksite. The head of each executive agency was required to establish a policy under which the agency's eligible employees may be authorized to telework; determine the eligibility for all the agency's employees to participate in telework; and notify all the agency's employees of their eligibility to telework.</p> <p>Each executive agency was required to consult with the Office of Personnel Management in developing telework policies. The Office of Personnel Management must provide policy and policy guidance for telework in the areas of pay and leave, agency closure, performance management, official worksite, recruitment and retention, and accommodations for employees with disabilities; assist each agency in establishing appropriate qualitative and quantitative measures and teleworking goals; and consult with specified agencies on certain policy and policy guidance.</p>

Source: GAO analysis of OPM and DOD information, relevant laws, and regulations. | GAO-19-509

Note: We did not include work-life balance policies and programs in our analysis of recruitment and retention flexibilities.

Appendix III: Objectives, Scope, and Methodology

Section 843 of the National Defense Authorization Act for Fiscal Year 2018 included a provision for us to review and report on the effectiveness of hiring and retention flexibilities for the Department of Defense's (DOD) acquisition workforce, with a focus on its civilian acquisition workforce,¹ including

- (a) the extent to which DOD experiences challenges with recruitment and retention of the acquisition workforce, such as post-employment restrictions;
- (b) a description of the hiring and retention flexibilities available to DOD to fill civilian acquisition positions and the extent to which DOD has used the flexibilities available to it to target critical or understaffed career fields;
- (c) the extent to which DOD has the necessary data and metrics on its use of hiring and retention flexibilities for the civilian acquisition workforce to strategically manage the use of such flexibilities;
- (d) an identification of the factors that affect the use of hiring and retention flexibilities for the civilian acquisition workforce;
- (e) recommendations for any necessary changes to the hiring and retention flexibilities available to DOD to fill civilian acquisition positions;² and
- (f) a description of the flexibilities available to DOD to remove underperforming members of the acquisition workforce and the extent to which any such flexibilities are used.

This report: (1) provides information on DOD's use of available hiring, recruitment, and retention flexibilities for its civilian acquisition workforce personnel from fiscal years 2014 to 2018; and (2) determines the extent to which DOD has monitored and assessed its use of hiring, recruitment,

¹See National Defense Authorization Act for Fiscal Year 2018, Pub. L. No. 115-91, § 843(b).

²In this report, we are not making any recommendations related to changing hiring and retention flexibilities available to DOD for the civilian acquisition workforce. DOD officials told us they are advising Congress on which direct hire authorities, a type of hiring flexibility, could be consolidated and which direct hire authority requirements could be eliminated.

and retention flexibilities for its civilian acquisition workforce. In doing so, the report addresses elements (a) through (f) identified above.

To examine DOD's use of available hiring, recruitment, and retention flexibilities for its civilian acquisition workforce personnel from fiscal years 2014 to 2018, we reviewed relevant statutes, reports, and DOD policies and guidance to identify hiring, recruitment, and retention flexibilities available to DOD's civilian acquisition workforce. Based on our review, we identified the following hiring authorities:

- competitive examination, which we refer to as “the traditional hiring method,” and
- 46 alternatives to the traditional hiring method, which we refer to as “hiring flexibilities” for the purposes of our review.³

Appendix I provides additional information on these 46 hiring flexibilities.

We also identified four monetary incentives and five work-life balance programs that DOD can use to recruit and retain civilian acquisition workforce personnel. We scoped our analysis to the four monetary incentives DOD can use to recruit and retain civilian acquisition workforce personnel—(1) recruitment bonuses, (2) retention bonuses, (3) relocation bonuses, and (4) student loan repayments—and collectively refer to these four incentives as “recruitment and retention flexibilities” for the purposes of our review.⁴ We focused our review on the four government-wide monetary flexibilities with personnel data in the Defense Civilian Personnel Data System (DCPDS), DOD's central repository for civilian personnel transactions data, and required for submission to the Defense Manpower Data Center.⁵ Appendix II provides additional information on these four recruitment and retention flexibilities.

³The 46 hiring flexibilities included 14 DOD direct hire authorities provided in statute, and 32 other flexibilities, such as government-wide hiring flexibilities provided in statute.

⁴Recruitment and retention flexibilities can also include other monetary incentives, such as DOD's permanent change of station incentive, which helps civilian employees pay for the costs of relocation, as well as work-life programs, such as flexible work schedules and the ability to telework.

⁵DOD, Office of the Under Secretary of Defense (USD) Personnel and Readiness (P&R), DOD Instruction 1444.02, Volume 1, *Data Submission Requirements for DoD Civilian Personnel: Appropriated Fund Civilians* (Nov. 5, 2013).

We also analyzed personnel data from DCPDS. We obtained DCPDS data on hiring actions from the Office of the Under Secretary of Defense (USD) for Personnel and Readiness (P&R) – Defense Manpower Data Center. We obtained DCPDS data on dollars authorized for recruitment and retention flexibilities from USD (P&R) – Defense Civilian Personnel Advisory Service (DCPAS). We also obtained acquisition workforce data for fiscal years 2014 through 2018 from DOD’s DataMart, a central repository of acquisition workforce data, from the Defense Manpower Data Center. We analyzed the DataMart data to determine which DOD civilian personnel were in DOD’s acquisition workforce at the end of each fiscal year, the military department or organization in which these personnel worked, and the career fields in which these personnel held positions.

For our analysis of hiring flexibilities, we included all hiring actions for the DOD civilian acquisition workforce with effective dates from fiscal year 2014 through 2018, except for actions with legal authority codes designated as transfers. We did not include hiring actions designated as transfers because they include hiring actions between military departments as well as transfers from outside of DOD. We excluded all of these transfer hiring actions because the data did not include enough information for us to distinguish between internal and external transfers. We identified 44,291 hiring actions for this 5-year period, and used the legal authority code data fields for each hiring action to determine the type of hiring authority or flexibility that DOD used. We analyzed DOD’s usage of hiring flexibilities from fiscal years 2014 through 2018 across each of DOD’s 14 acquisition career fields and the military departments.

Of the hiring flexibilities, we focused our analysis on DOD direct hire authorities because they comprised the single largest category of hiring authorities used by the DOD civilian acquisition workforce for hiring actions from fiscal year 2014 through 2018—26,385 of 44,291 DOD hiring actions or 60 percent. DCPDS, however, did not include enough information for us to determine which specific direct hire authority DOD used for each hiring action. For these actions, the human resource specialists manually entered the details of the specific type of DOD direct hire authority they used in DCPDS. To determine the type of DOD direct hire authority used, two analysts independently reviewed each description and identified the appropriate DOD direct hire authority. For 360 of the 26,385 the hiring actions (or 1.4 percent), the descriptions did not contain enough information for us to determine the specific DOD direct hire authority used.

For the purposes of our analysis, we established three categories of hiring actions based on the DOD’s designations in DCPDS (see table 13).

Table 13: Categories of the Department of Defense’s (DOD) Hiring Actions

DOD designation	GAO category in analysis
Competitive examining (selection from a civil service certificate of eligible candidates)	Traditional hiring method
DOD direct hire authority, including the expedited hiring authority for certain defense acquisition workforce positions and hiring authorities under DOD’s Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo)	DOD direct hire authorities
Veterans-related hiring authorities, Pathways Programs authorities, Office of Personnel Management direct hire authorities, Senior Executive Service appointments, reinstatements, noncompetitive appointment of certain military spouses, Defense Civilian Intelligence Personnel System appointments, among others	Other hiring flexibilities

Source: GAO analysis of Defense Civilian Personnel Data System data, Department of Defense guidance, and Office of Personnel Management guidance. | GAO-19-509

For our analysis of recruitment and retention flexibilities, we included all actions authorizing recruitment bonuses, retention bonuses, relocation bonuses, and student loan repayments for the DOD civilian acquisition workforce from fiscal year 2014 through 2018. We identified 13,643 authorization actions. We used the award amount data field for each authorization action to determine the amount of dollars authorized for these four types of incentives. We analyzed DOD’s usage of the recruitment and retention flexibilities from fiscal years 2014 through 2018 across each of DOD’s 14 acquisition career fields.

We assessed data reliability by electronically testing these data, reviewing relevant data standards and guidance, and interviewing DCPAS and Defense Manpower Data Center officials. We determined that the data were sufficiently reliable for the purposes of reporting the frequency with which DOD’s civilian acquisition workforce used hiring, recruitment, and retention flexibilities for fiscal years 2014 through 2018.

We also identified factors that affected DOD’s use of hiring, recruitment, and retention flexibilities for its civilian acquisition workforce by reviewing DCPAS and military departments’ policies and guidance for using human capital flexibilities, including implementation of 14 DOD direct hire authorities provided in statute, and efforts by DCPAS to improve DOD’s use of the flexibilities.

To determine the extent to which DOD has monitored and assessed its use of hiring, recruitment, and retention flexibilities for its civilian acquisition workforce, we reviewed acquisition workforce human capital plans from the Office of Human Capital Initiatives (HCI) within USD for Acquisition and Sustainment (A&S); acquisition workforce plans from the Air Force, the Army, and the Navy; and data and metrics collected by HCI and DOD's four Directors for Acquisition Career Management (DACM)—one for each of the military departments and a fourth for the defense agencies and field activities outside the military departments. We assessed DOD's efforts against our key practices for effectively managing human resource flexibilities and federal internal control standards, including that management should use quality information to achieve the entity's objectives.⁶ We also reviewed reports by the Advisory Panel on Streamlining and Codifying Acquisition Regulations—commonly referred to as the Section 809 Panel after the legislative provision that required the Secretary of Defense to establish an advisory panel on streamlining acquisition regulations—and interviewed Section 809 Panel commissioners to supplement our analysis.⁷

For both objectives, we interviewed officials from

- HCI, the office responsible for DOD-wide acquisition workforce strategic planning;
- DCPAS, the office responsible for developing DOD's civilian human resources policies and programs;
- the Defense Manpower Data Center, the office responsible for collecting and maintaining DOD's civilian personnel data;
- the Directors for Acquisition Career Management (DACM) for each military department and the Fourth Estate, which is responsible for the 30 defense agencies and field activities outside the military departments;

⁶GAO, *Federal Workforce: Key Talent Management Strategies for Agencies to Better Meet Their Missions*, [GAO-19-181](#) (Washington, D.C.: Mar. 28, 2019); *Human Capital: Effective Use of Flexibilities Can Assist Agencies in Managing Their Workforces*, [GAO-03-2](#) (Washington, D.C.: Dec. 6, 2002); and *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014).

⁷Advisory Panel on Streamlining and Codifying Acquisition Regulations, *Report of the Advisory Panel on Streamlining and Codifying Acquisition Regulations Volume 2 of 3*, (Arlington, Va.: June 2018). The panel was established pursuant to Section 809 of the National Defense Authorization Act for Fiscal Year 2016. The panel also released Volume 1 in January 2018 and Volume 3 in January 2019.

- the Air Force Personnel Center;
- Army's Civilian Human Resources Agency;
- Navy's Office of Civilian Human Resources; and
- the command within each military department that had the largest number of civilian acquisition workforce personnel in fiscal year 2018: Air Force Materiel Command, Army Combat Capabilities Development Command, and Naval Sea Systems Command. We also interviewed officials from the Defense Contract Management Agency, which had the largest number of civilian acquisition personnel of the other defense agencies with acquisition workforce personnel. Collectively, these four organizations comprised about 38 percent of DOD's civilian acquisition workforce in fiscal year 2018.

We also interviewed personnel from the Office of Personnel Management (OPM), which is responsible for developing and promulgating government-wide human capital policies; and personnel from the Society for Human Resource Management, the world's largest human resources membership group, who were familiar with metrics used by the private sector to monitor hiring and retention efforts.

We conducted this performance audit from August 2018 to August 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix IV: The Department of Defense's Usage of Hiring Flexibilities for the Acquisition Workforce by Career Field

Section 843 of the National Defense Authorization Act for Fiscal Year 2018 included, among other things, a provision for us to review the extent to which the Department of Defense (DOD) has used hiring flexibilities available to it to target critical or understaffed career fields.¹ In its December 2015 memo on using the expedited hiring authority for certain defense acquisition workforce positions, DOD designated 12 of the 14 acquisition workforce career fields as shortage or critical needs categories.² We identified 44,291 DOD hiring actions from fiscal year 2014 to 2018 for the civilian acquisition workforce, and categorized them as (1) traditional hiring method actions, (2) actions using DOD direct hire authorities, or (3) other hiring flexibilities (see appendix I for additional information on these hiring flexibilities, including DOD direct hire authorities). We further categorized the hiring actions by DOD's 14 acquisition workforce career fields and ordered the career fields by total number of hiring actions in fiscal year 2018. Figures 6, 7, 8, and 9 provide data on the use of hiring flexibilities for each of the 14 acquisition workforce career fields.

¹National Defense Authorization Act for Fiscal Year 2018, Pub. L. No. 115-91, § 843(b).

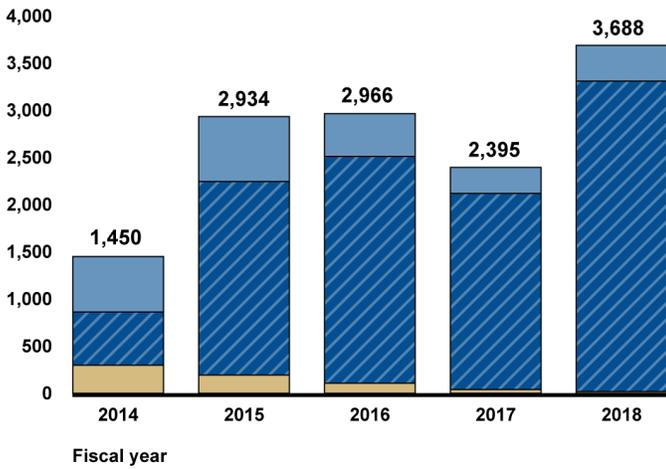
²DOD did not designate purchasing or industrial contract property management as shortage or critical needs categories.

Appendix IV: The Department of Defense's Usage of Hiring Flexibilities for the Acquisition Workforce by Career Field

Figure 6: The Department of Defense's (DOD) Usage of Hiring Flexibilities for the Civilian Acquisition Workforce's Engineering, Contracting, Life Cycle Logistics, and Information Technology Career Fields, Fiscal Years 2014 to 2018

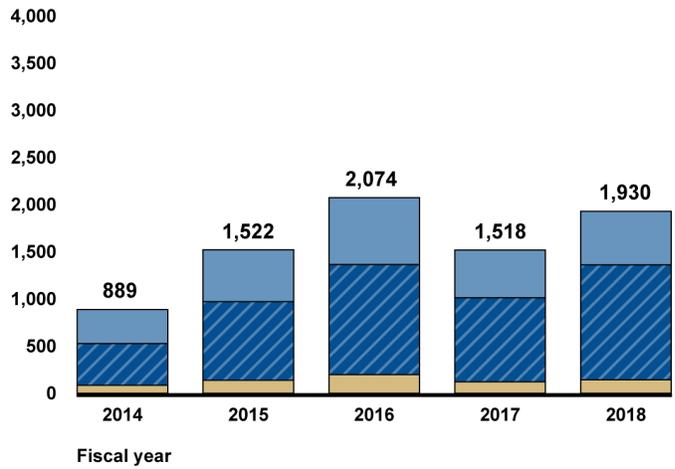
Engineering

Number of hiring actions



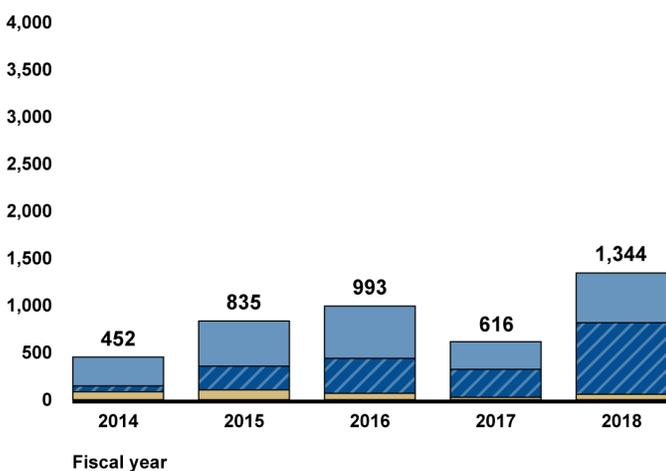
Contracting

Number of hiring actions



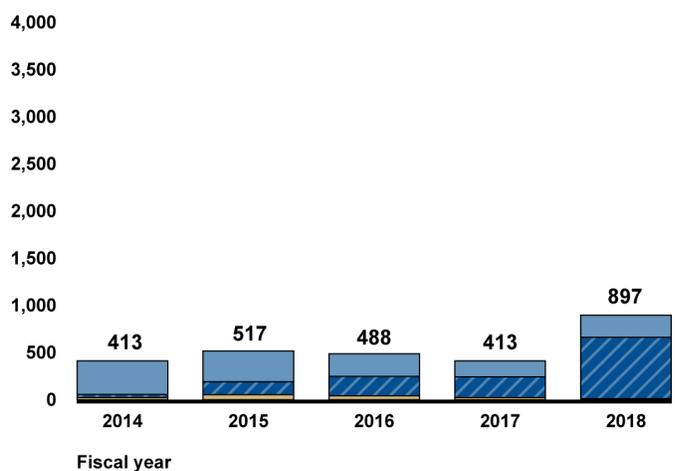
Life cycle logistics

Number of hiring actions



Information technology

Number of hiring actions



Traditional hiring method DOD direct hire authorities Other hiring flexibilities

Source: GAO analysis of Defense Civilian Personnel Data System data from the Defense Manpower Data Center. | GAO-19-509

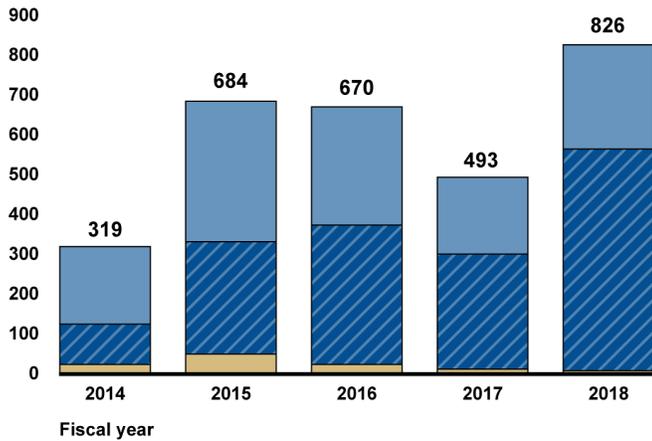
Note: "Traditional hiring method" is the competitive examining method outlined in sections of Title 5 of the U.S. Code. "DOD direct hire authorities" are a type of hiring flexibility and include DOD-specific direct hire authorities provided in statute, including the expedited hiring authority for certain defense acquisition workforce positions, as well as DOD Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo) hiring authorities. "Other hiring flexibilities" include veterans-related hiring authorities and Pathways Programs authorities among other hiring authorities.

Appendix IV: The Department of Defense's Usage of Hiring Flexibilities for the Acquisition Workforce by Career Field

Figure 7: The Department of Defense's (DOD) Usage of Hiring Flexibilities for the Civilian Acquisition Workforce's Program Management; Production, Quality, and Manufacturing; Facilities Engineering; and Financial Management Career Fields, Fiscal Years 2014 to 2018

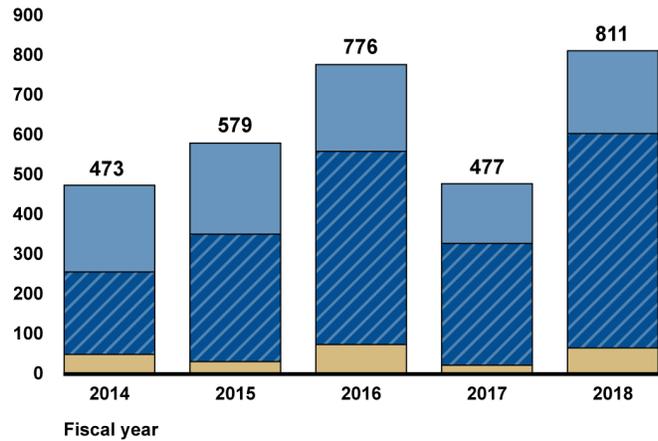
Program management

Number of hiring actions



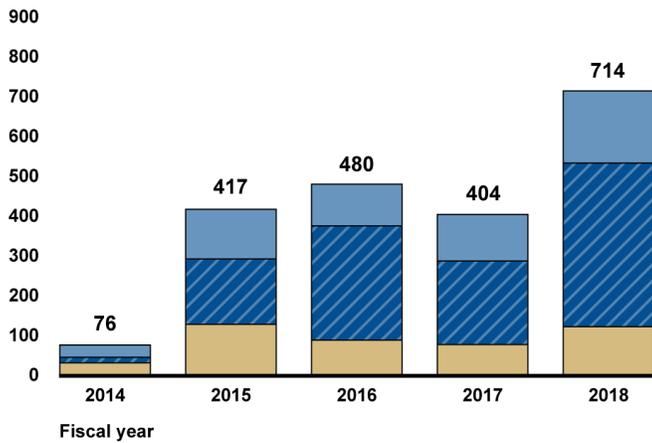
Production, quality, and manufacturing

Number of hiring actions



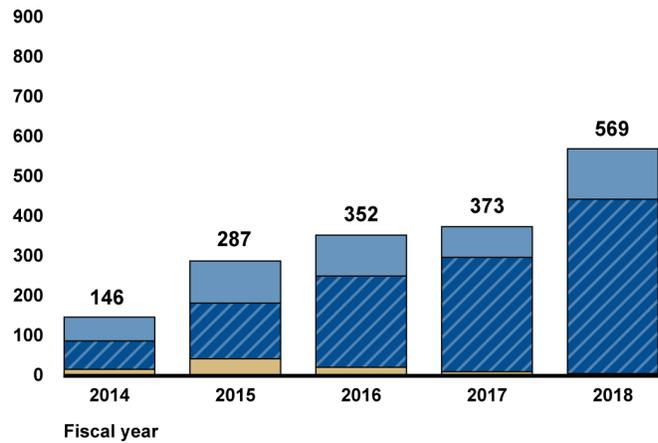
Facilities engineering

Number of hiring actions



Financial management

Number of hiring actions



Traditional hiring method DOD direct hire authorities Other hiring flexibilities

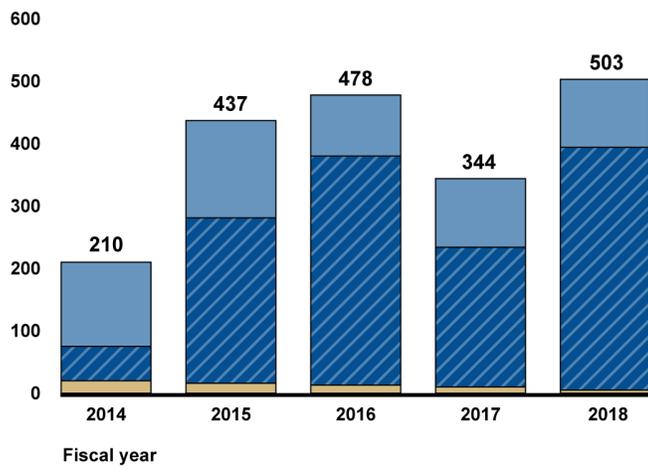
Source: GAO analysis of Defense Civilian Personnel Data System data from the Defense Manpower Data Center. | GAO-19-509

Note: "Traditional hiring method" is the competitive examining method outlined in sections of Title 5 of the U.S. Code. "DOD direct hire authorities" are a type of hiring flexibility and include DOD-specific direct hire authorities provided in statute, including the expedited hiring authority for certain defense acquisition workforce positions, as well as DOD Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo) hiring authorities. "Other hiring flexibilities" include veterans-related hiring authorities and Pathways Programs authorities among other hiring authorities.

Figure 8: The Department of Defense's (DOD) Usage of Hiring Flexibilities for the Civilian Acquisition Workforce's Test and Evaluation, Auditing, and Science and Technology Manager Career Fields, Fiscal Years 2014 to 2018

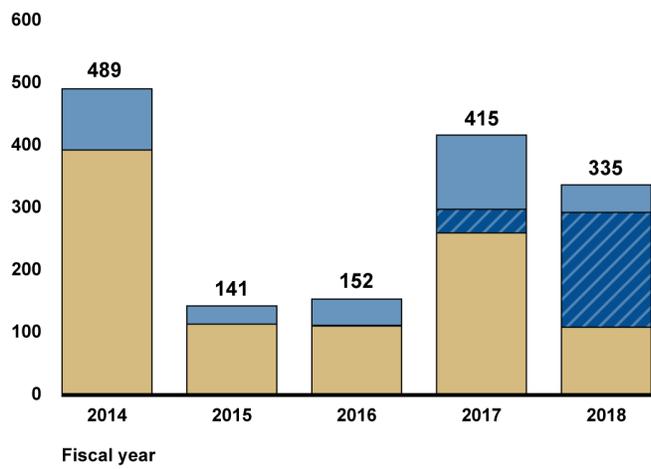
Test and evaluation

Number of hiring actions



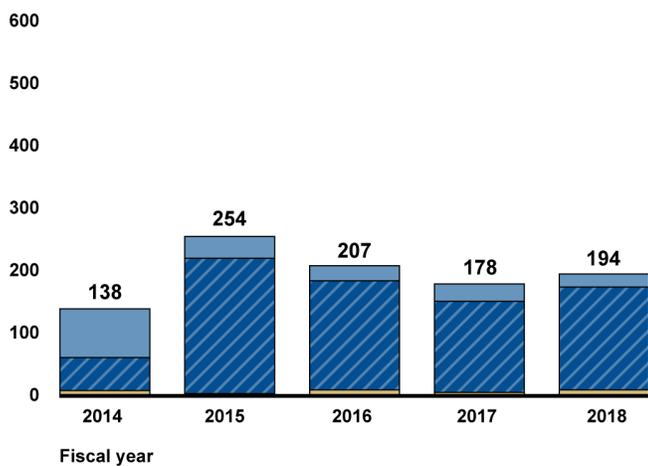
Auditing

Number of hiring actions



Science and technology manager

Number of hiring actions



Traditional hiring method
 DOD direct hire authorities
 Other hiring flexibilities

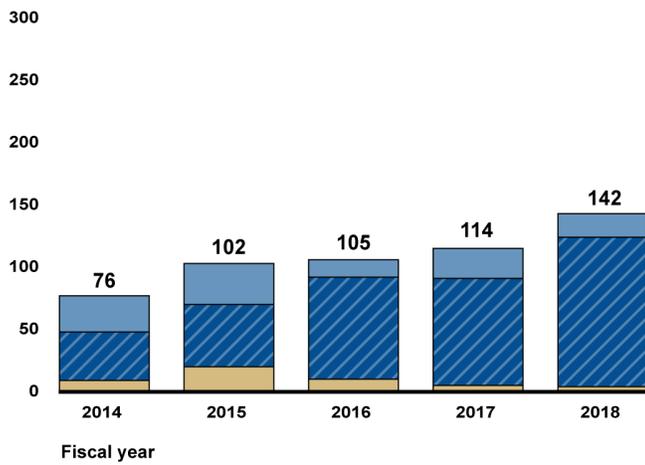
Source: GAO analysis of Defense Civilian Personnel Data System data from the Defense Manpower Data Center. | GAO-19-509

Note: "Traditional hiring method" is the competitive examining method outlined in sections of Title 5 of the U.S. Code. "DOD direct hire authorities" are a type of hiring flexibility and include DOD-specific direct hire authorities provided in statute, including the expedited hiring authority for certain defense acquisition workforce positions, as well as DOD Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo) hiring authorities. "Other hiring flexibilities" include veterans-related hiring authorities and Pathways Programs authorities among other hiring authorities.

Figure 9: The Department of Defense's (DOD) Usage of Hiring Flexibilities for the Civilian Acquisition Workforce's Cost Estimating, Purchasing, and Industrial Contract Property Management Career Fields, Fiscal Years 2014 to 2018

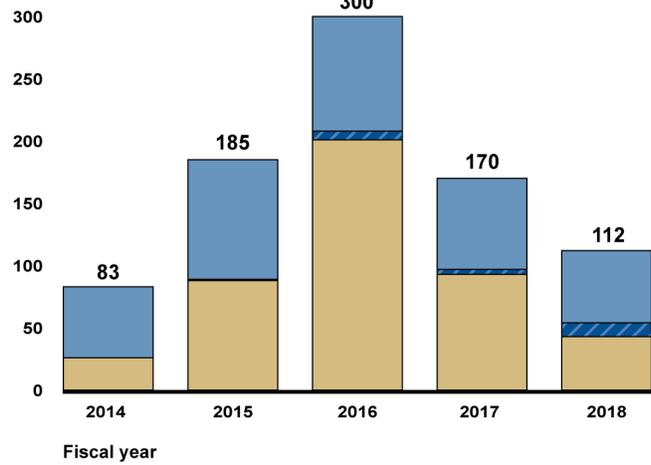
Cost estimating

Number of hiring actions



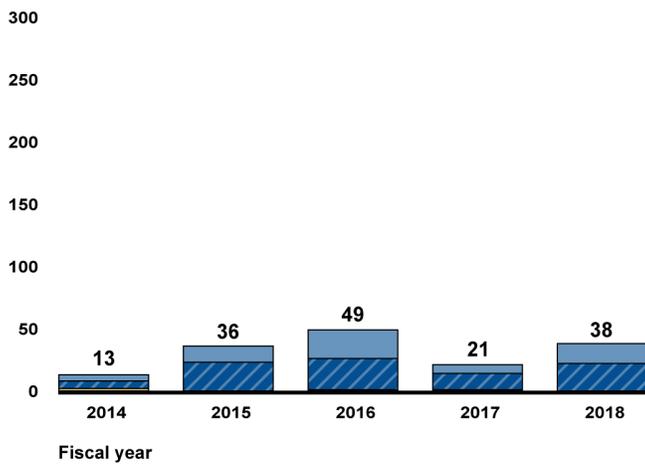
Purchasing

Number of hiring actions



Industrial contract property management

Number of hiring actions



Traditional hiring method
 DOD direct hire authorities
 Other hiring flexibilities

Source: GAO analysis of Defense Civilian Personnel Data System data from the Defense Manpower Data Center. | GAO-19-509

Note: "Traditional hiring method" is the competitive examining method outlined in sections of Title 5 of the U.S. Code. "DOD direct hire authorities" are a type of hiring flexibility and include DOD-specific direct hire authorities provided in statute, including the expedited hiring authority for certain defense acquisition workforce positions, as well as DOD Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo) hiring authorities. "Other hiring flexibilities" include veterans-related hiring authorities and Pathways Programs authorities among other hiring authorities.

Appendix V: The Department of Defense's Usage of Hiring Flexibilities for the Acquisition Workforce by Military Department

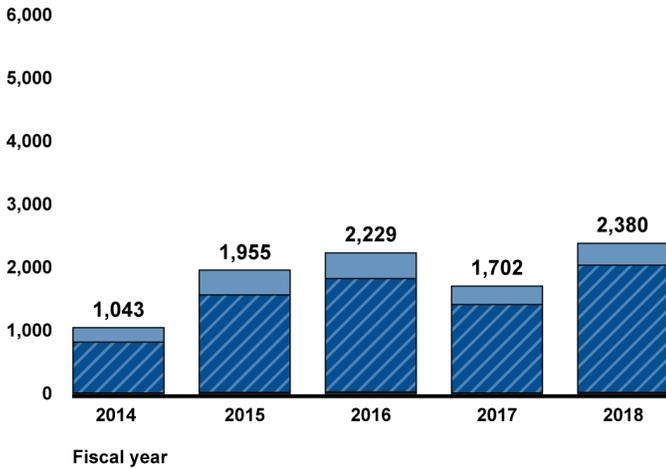
We identified 44,291 Department of Defense (DOD) hiring actions from fiscal year 2014 to 2018 for the civilian acquisition workforce, and categorized them as (1) traditional hiring method actions, (2) actions using DOD direct hire authorities, or (3) other hiring flexibilities (see appendix I for additional information on these hiring flexibilities, including DOD direct hire authorities). We further categorized the hiring actions by military departments and defense agencies. Figure 10 provides data on the use of hiring flexibilities for each of the military departments and the Fourth Estate, which is responsible for the 30 defense agencies and field activities outside the military departments.

Appendix V: The Department of Defense's Usage of Hiring Flexibilities for the Acquisition Workforce by Military Department

Figure 10: The Department of Defense's (DOD) Usage of Hiring Flexibilities for the Civilian Acquisition Workforce by Military Department and the Fourth Estate, Fiscal Years 2014 to 2018

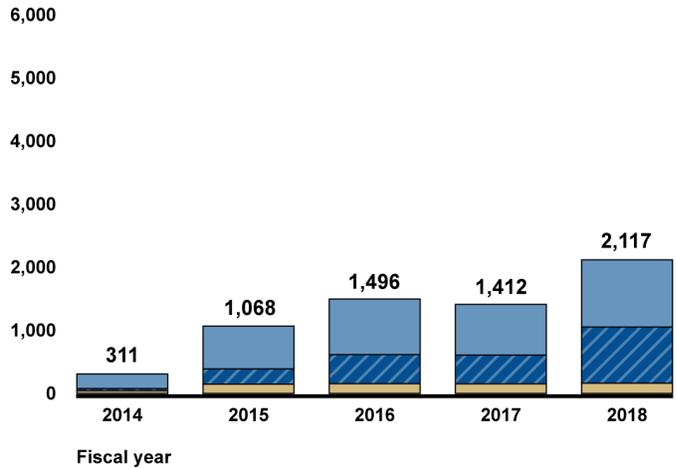
Air Force

Number of hiring actions



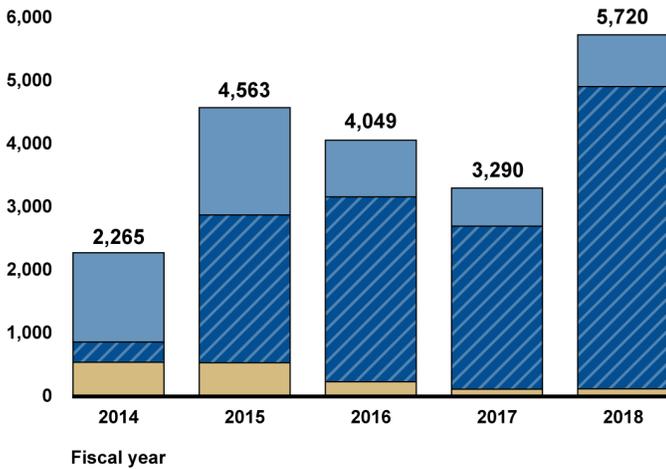
Army

Number of hiring actions



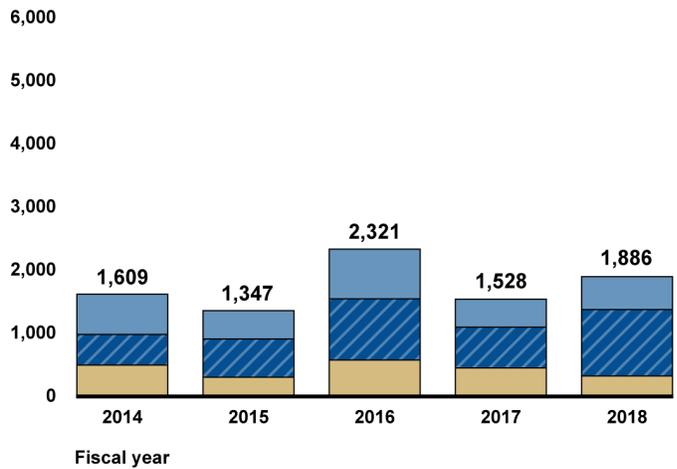
Navy

Number of hiring actions



Fourth Estate

Number of hiring actions



Traditional hiring method DOD direct hire authorities Other hiring flexibilities

Source: GAO analysis of Defense Civilian Personnel Database System data from the Defense Manpower Data Center. | GAO-19-509

Note: The Fourth Estate is responsible for the 30 defense agencies and field activities outside the military departments. "Traditional hiring method" is the competitive method outlined in sections of Title 5 of the U.S. Code. "DOD direct hire authorities" are a type of hiring flexibility and include DOD-specific direct hire authorities provided in statute, including the expedited hiring authority for certain defense acquisition workforce positions, as well as DOD Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo) hiring authorities. "Other hiring flexibilities" include veterans-related hiring authorities and Pathways Programs authorities among other hiring authorities.

Appendix VI: The Department of Defense's Usage of Recruitment and Retention Flexibilities for the Acquisition Workforce

Section 843 of the National Defense Authorization Act for Fiscal Year 2018 included, among other things, a provision for us to review the extent to which the Department of Defense (DOD) has used retention flexibilities available to it to target critical or understaffed career fields.¹ In its December 2015 memo on using the expedited hiring authority for certain defense acquisition workforce positions, DOD designated 12 of the 14 acquisition workforce career fields as shortage or critical needs categories.² We identified \$123.9 million authorized in recruitment and retention flexibilities for DOD's civilian acquisition workforce from fiscal year 2014 to 2018, and categorized them as (1) recruitment bonuses, (2) relocation bonuses, (3) retention bonuses, and (4) student loan repayments (see appendix II for additional information on these recruitment and retention flexibilities). We further categorized the recruitment and retention flexibilities by DOD's 14 acquisition workforce career fields and ordered the career fields by total dollars authorized by DOD.³ See figures 11 through 14 below.

¹National Defense Authorization Act for Fiscal Year 2018, Pub. L. No. 115-91, § 843(b).

²DOD did not designate purchasing or industrial contract property management as shortage or critical needs categories.

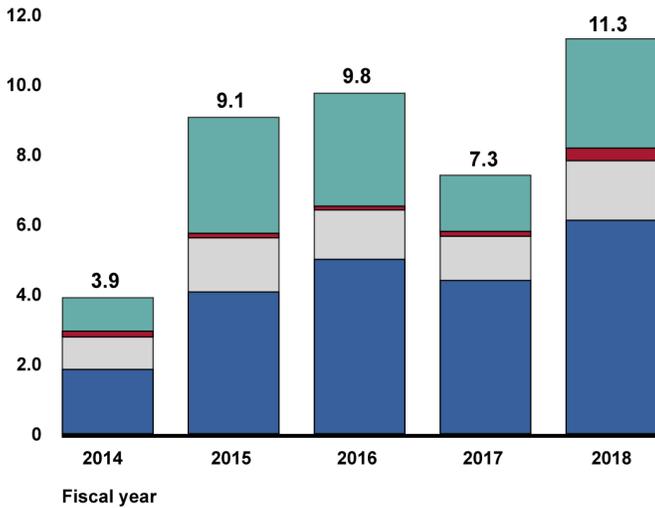
³About \$251,000 of the \$123.9 million in recruitment and retention flexibilities authorized for DOD's civilian acquisition workforce from fiscal year 2014 to 2018 were not included in one of the 14 DOD-designated acquisition career fields and were instead designated as an unknown or obsolete career field.

Appendix VI: The Department of Defense's Usage of Recruitment and Retention Flexibilities for the Acquisition Workforce

Figure 11: Department of Defense-Authorized Dollar Amounts for Recruitment and Retention Flexibilities for the Civilian Acquisition Workforce's Engineering, Contracting, Program Management, and Facilities Engineering Career Fields, Fiscal Years 2014 to 2018

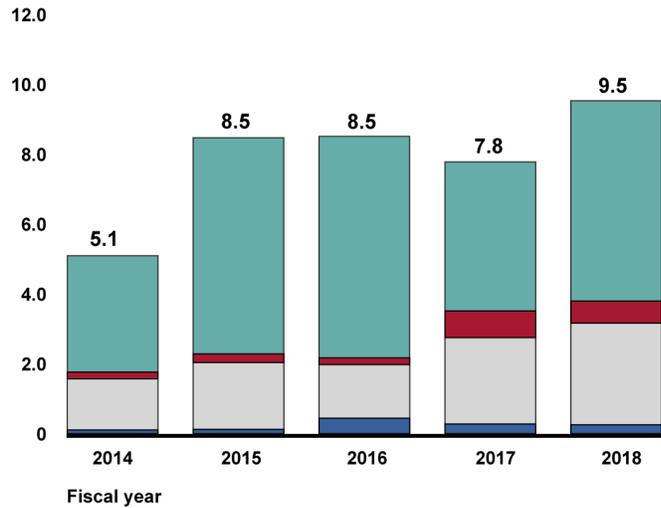
Engineering

Dollars (millions)



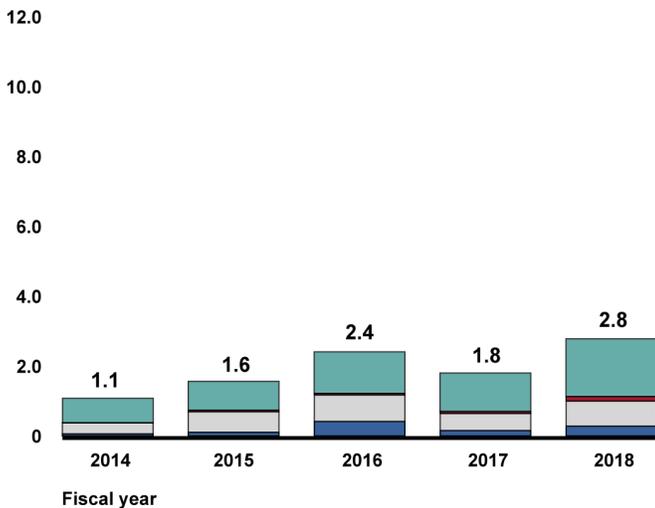
Contracting

Dollars (millions)



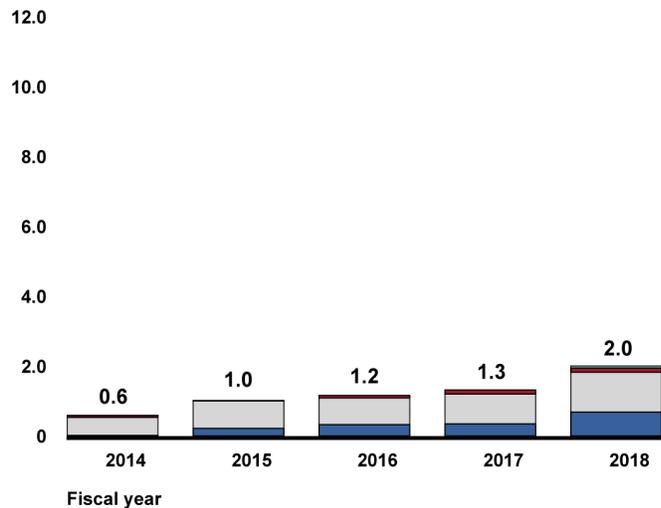
Program management

Dollars (millions)



Facilities engineering

Dollars (millions)



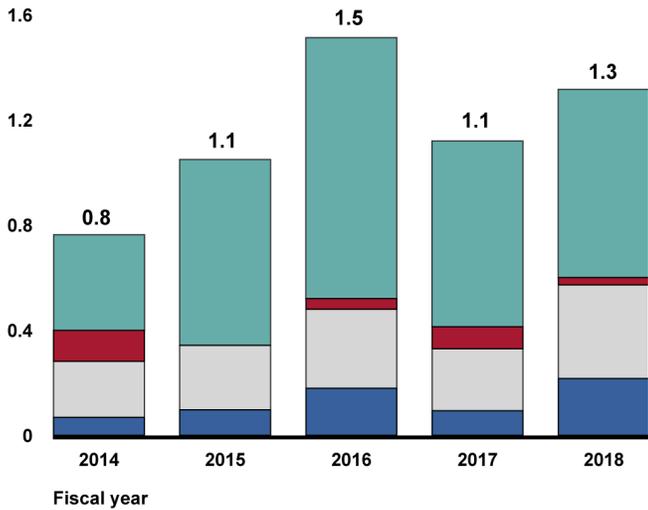
Recruitment bonuses Relocation bonuses Retention bonuses Student loan repayments

Source: GAO analysis of Defense Civilian Personnel Data System data from the Defense Civilian Personnel Advisory Service. | GAO-19-509

Figure 12: Department of Defense-Authorized Dollar Amounts for Recruitment and Retention Flexibilities for the Civilian Acquisition Workforce's Life Cycle Logistics; Test and Evaluation; Production, Quality, and Manufacturing; and Financial Management Career Fields, Fiscal Years 2014 to 2018

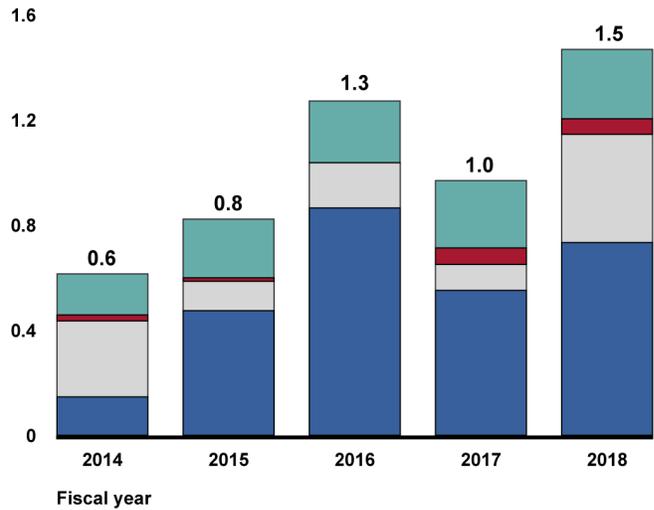
Life cycle logistics

Dollars (millions)



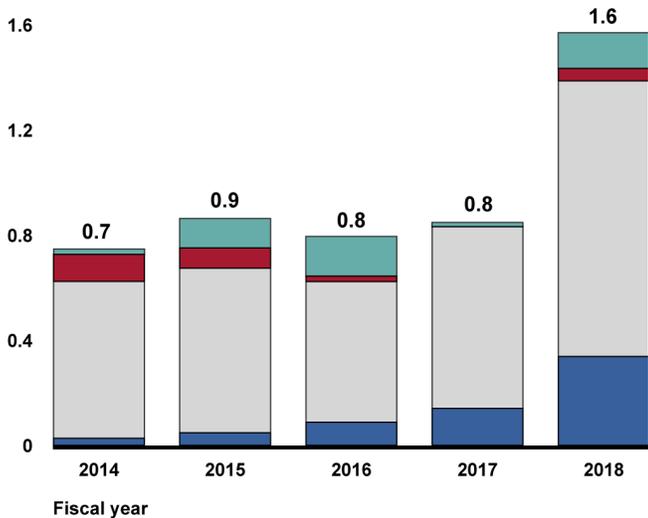
Test and evaluation

Dollars (millions)



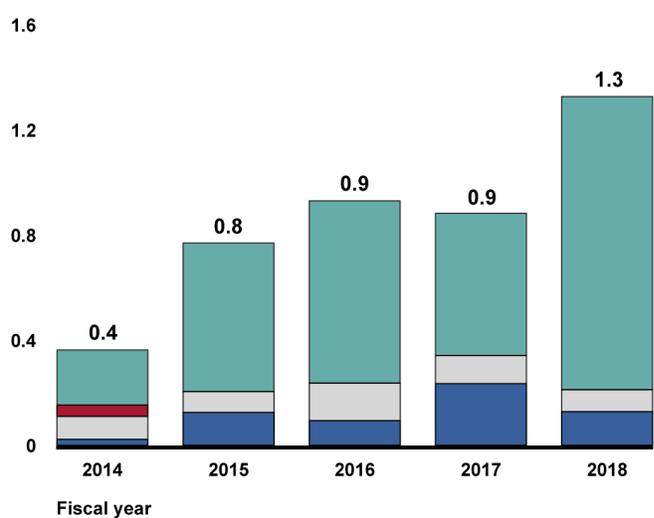
Production, quality, and manufacturing

Dollars (millions)



Financial management

Dollars (millions)



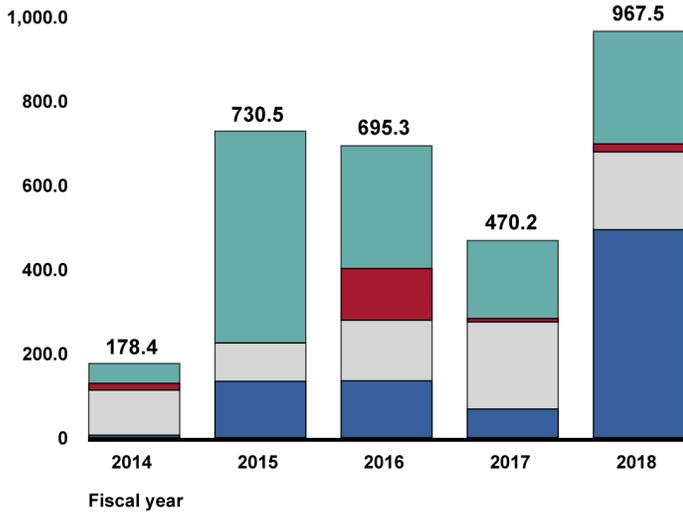
■ Recruitment bonuses
 ■ Relocation bonuses
 ■ Retention bonuses
 ■ Student loan repayments

Source: GAO analysis of Defense Civilian Personnel Data System data from the Defense Civilian Personnel Advisory Service. | GAO-19-509

Figure 13: Department of Defense-Authorized Dollar Amounts for Recruitment and Retention Flexibilities for the Civilian Acquisition Workforce's Information Technology, Science and Technology Manager, and Cost Estimating Career Fields, Fiscal Years 2014 to 2018

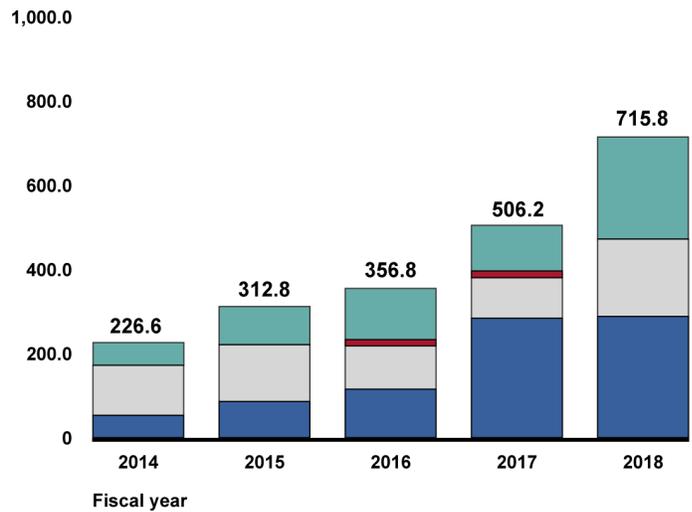
Information technology

Dollars (thousands)



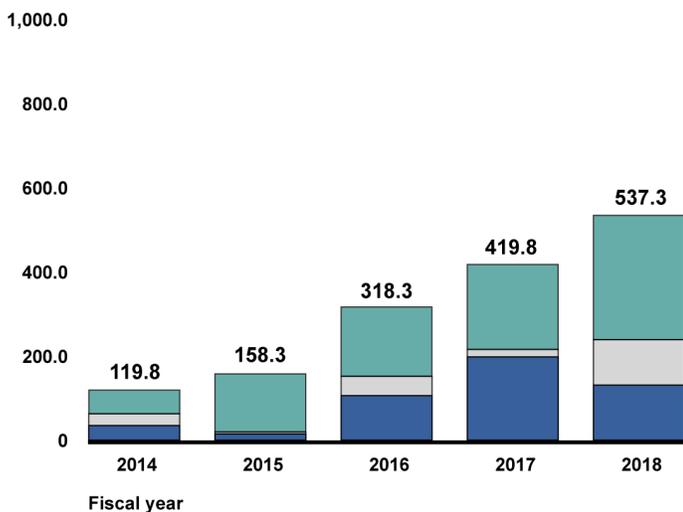
Science and technology manager

Dollars (thousands)



Cost estimating

Dollars (thousands)



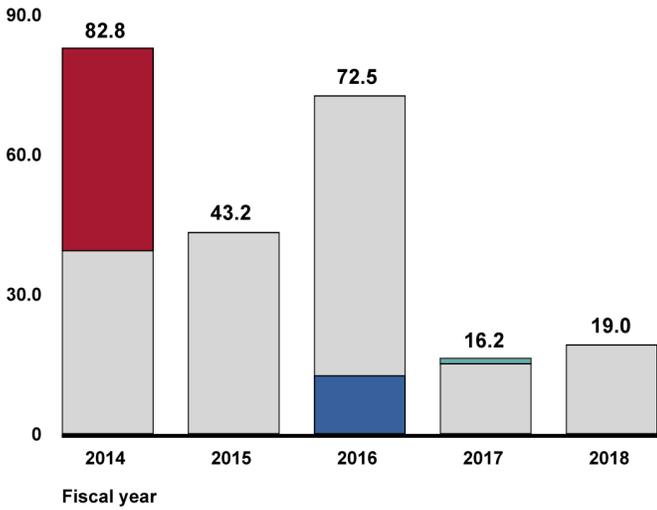
■ Recruitment bonuses
 ■ Relocation bonuses
 ■ Retention bonuses
 ■ Student loan repayments

Source: GAO analysis of Defense Civilian Personnel Data System data from the Defense Civilian Personnel Advisory Service. | GAO-19-509

Figure 14: Department of Defense-Authorized Dollar Amounts for Recruitment and Retention Flexibilities for the Civilian Acquisition Workforce's Industrial Contract Property Management, Purchasing, and Auditing Career Fields, Fiscal Years 2014 to 2018

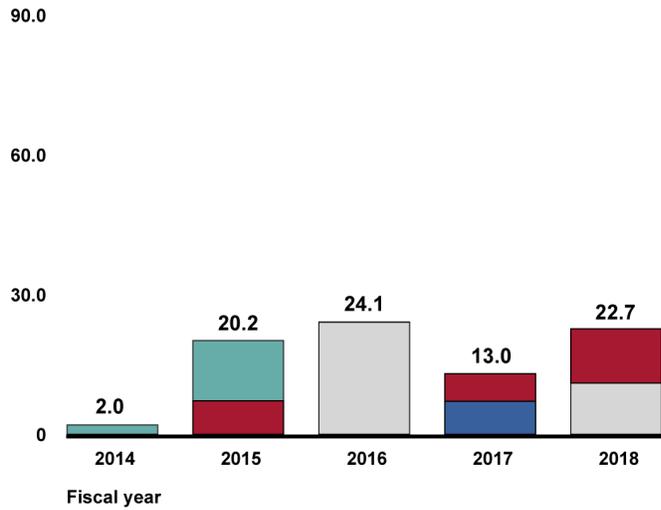
Industrial contract property management

Dollars (thousands)



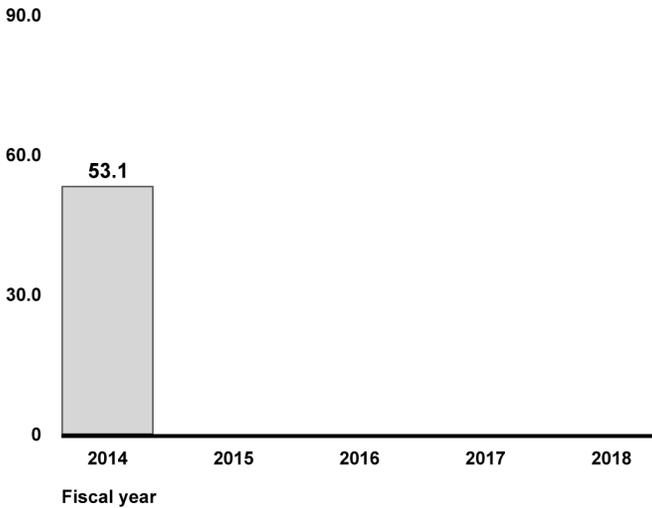
Purchasing

Dollars (thousands)



Auditing

Dollars (thousands)



Recruitment bonuses
 Relocation bonuses
 Retention bonuses
 Student loan repayments

Source: GAO analysis of Defense Civilian Personnel Data System data from the Defense Civilian Personnel Advisory Service. | GAO-19-509

Appendix VII: Comments from the Department of Defense



ACQUISITION
AND SUSTAINMENT

OFFICE OF THE UNDER SECRETARY OF DEFENSE
3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

Mr. Timothy J. DiNapoli
Director, Defense Capabilities Management
U.S. Government Accountability Office
441 G Street, NW
Washington DC 20548

JUL 22 2019

Dear Mr. DiNapoli,

This is the Department of Defense (DoD) response to the GAO Draft Report, GAO-19-509, 'DEFENSE ACQUISITIONS WORKFORCE: DOD Increased Use of Human Capital Flexibilities but Could Improve Monitoring,' dated June 27, 2019 (GAO Code 102981).

Attached is DoD's proposed response to the subject report. My point of contact is Dr. Gina Eckles who can be reached at gina.m.eckles.civ@mail.mil and phone (703) 805-5420.

Sincerely,

A handwritten signature in black ink, appearing to read "Jose Gonzalez".

Jose Gonzalez
OUSD(A&S)
Director, Human Capital Initiatives

**DOD RESPONSE TO GAO DRAFT REPORT DATED JUNE 27, 2019
GAO-19-509 (GAO CODE 102981)**

**“DEFENSE ACQUISITION WORKFORCE: DOD INCREASED USE OF HUMAN
CAPITAL FLEXIBILITIES BUT COULD IMPROVE MONITORING”**

**DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATION**

RECOMMENDATION 1: The GAO recommends that the Secretary of Defense should ensure that the Director, of Human Capital Initiatives regularly monitors usage of hiring, recruitment, and retention flexibilities for the civilian acquisition workforce-across the military departments and acquisition career fields-to help develop strategies or inform efforts aimed at improving the usage of these flexibilities. (Recommendation 1)

DoD RESPONSE: The DoD concurs with Recommendation 1. DoD will provide guidance to DoD components to monitor usage of flexibilities on a regular basis and to provide the results to Human Capital Initiatives as requested, but no less than on an annual basis.

Appendix VIII: GAO Contact and Staff Acknowledgments

GAO Contact

Timothy J. DiNapoli, (202) 512-4841 or dinapolit@gao.gov

Staff Acknowledgments

In addition to the contact named above, Nathan Tranquilli (Assistant Director), Claire Li (Analyst-in-Charge), TyAnn Lee, and Ashley Rawson made key contributions to this report. Lorraine Ettaro, Christopher Falcone, Lori Fields, Cynthia Grant, Laura Greifner, and Sylvia Schatz also contributed to this report.

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